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## Letter dated 1 April 2015 from the Chargé d'affaires a.i. of the Permanent Mission of the Philippines to the United Nations addressed to the President of the Economic and Social Council

I have the honour to transmit herewith the national report of the Philippines on progress towards the achievement of the internationally agreed goals, including the Millennium Development Goals, prepared for the annual ministerial review to be held during the high-level segment of the 2015 session of the Economic and Social Council (see annex).

I should be grateful if you would circulate the present letter and its annex as a document of the Economic and Social Council under agenda item 5 (c).

(*Signed*) Julio C. Dery
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# Letter dated 1 April 2015 from the Chargé d'affaires a.i. of the Permanent Mission of the Philippines to the United Nations addressed to the President of the Economic and Social Council

## National report of the Philippines on progress towards the achievement of the internationally agreed goals, including the Millennium Development Goals

*Summary*

The present national report encompasses the accomplishments, challenges, lessons learned and best practices associated with the performance of the Philippines as regards progress towards achieving the Millennium Development Goals, and recommendations based on that performance. The report has been prepared pursuant to consultations with government agencies, academia, research institutions, civil society organizations and the United Nations country team.

This report demonstrates that the target of halving the proportion of people with no access to basic sanitation has already been achieved. The Philippines is also on track in terms of meeting the following targets under the Millennium Development Goals: (a) providing universal access to primary education; (b) providing educational opportunities for girls; (c) reducing infant and under-five mortality; (d) reversing the incidence of malaria; (e) increasing tuberculosis detection and cure rates; and (f) increasing the proportion of households with access to safe water supply.

On the other hand, the Philippines is lagging behind in the following areas: (a) poverty; (b) elementary education, in terms of completion rate; (c) gender equality, as regards women's political participation, and the fact that boys are at a disadvantage in terms of participation in elementary- and secondary-level education; (d) maternal mortality; (e) access to reproductive health care; and (f) HIV/AIDS.

There is a medium probability that the incidence of income poverty will be reduced by half in 2015. The Philippines is also likely to meet its target of universal access to primary education, as greater resources are being allocated to the education sector to address backlogs in terms of classrooms, teachers and books.

With regard to gender, boys are at a disadvantage in terms of participation in elementary and secondary education (as noted directly above), cohort survival rate and completion rate. This report also shows that more females enrol in tertiary education and that there is a wide disparity in terms of functional literacy between males and females, with the latter having the advantage.

Regarding health, infant and under-five mortality rates have been considerably reduced and the targets will likely be achieved by 2015. However, the increase in the maternal mortality ratio indicates that the target of 52 deaths per 100,000 live births has a low probability of being met. Morbidity and mortality rates associated with malaria improved, as the number of provinces declared to be malaria-free increased to 27 in 2012 from only 13 in 2004. Similarly, the incidence, prevalence and mortality rates associated with tuberculosis have declined considerably, although tuberculosis is still one of the leading causes of morbidity and mortality in the country. On the other hand, the number of new cases of HIV has been increasing, although its prevalence is still less than 1 per cent.

Millennium Development Goals-related accomplishments were achieved owing to clearly defined institutional arrangements; supportive policies on development planning, investment programming, localization, financing, and monitoring mechanisms; programmes and projects supporting the Goals (e.g., the conditional cash transfer programme, KALAHI-CIDSS, universal health care, and the K to 12 programme); and the active participation of various stakeholders.

However, meeting the targets is challenged by conflicting and overlapping policies; weak implementation and monitoring at the local level; slow progress in achieving inclusive growth; urban and rural disparities; data constraints; and man-made and natural shocks.

In the context of the global community's preparation for the transition from the Millennium Development Goals to the sustainable development goals, the Philippines has developed an overarching vision of sustainable development encapsulated in the phrase "every Filipino living in prosperity, peace, justice and dignity". The proposed sustainable development framework is anchored by three national development goals stemming from the mutually reinforcing pillars of sustainable development: economic growth, social development and environmental stability. The framework upholds the integration of environment, social and economic concerns at all levels of the planning and implementation processes for the fulfilment of basic needs, improvement of living standards, and protection of the environment and natural resources so as to ensure an equitable, prosperous and safe future for all Filipinos.

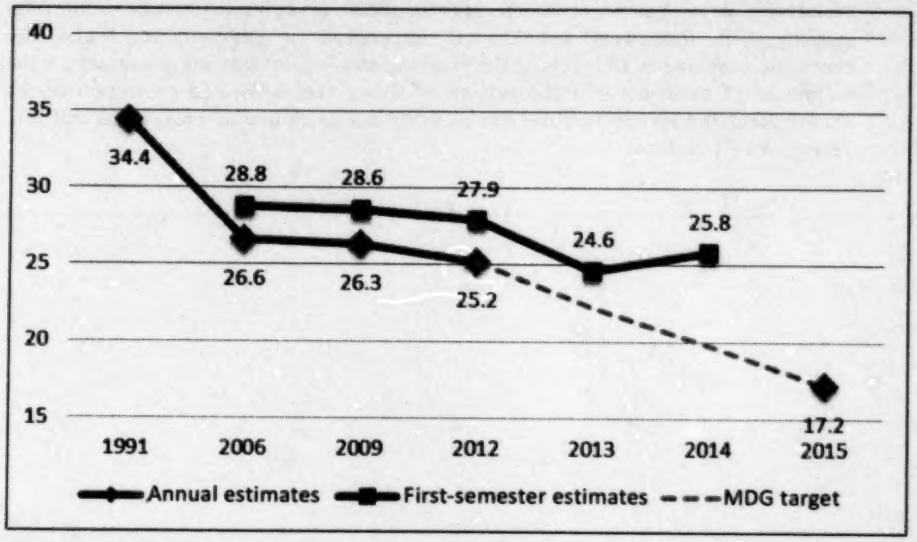
# I. Implementation of national development strategies and policies

## A. Pace of progress

### 1. Goal 1: Eradicate extreme poverty and hunger

1. The Millennium Development Goal target is to reduce poverty incidence in the population to 17.2 per cent. From 2009 to 2012, there was a small decrease in annual poverty incidence as shown by the blue line in figure I. According to the first-semester estimates generated (red line), while poverty incidence was decreasing from 2006 to 2014, there was a 1.2 percentage point increase from 2013 to 2014. This is attributed to the increase in consumer prices last year and the impact of Super Typhoon Yolanda (international name: Haiyan).

Figure I
**Poverty incidence in the population, 1991-2014**




*Source*: Philippines Statistics Authority.

2. Based on the latest annual estimates in 2009, fishermen posted the highest poverty incidence among the nine basic sectors in the Philippines, at 41.4 per cent, which was the same level as in 2006. They were followed by farmers and children (for whom the incidence was 36.7 per cent and 35.1 per cent, respectively). Between 2006 and 2009, poverty incidence increased in four basic sectors: youth and migrant and formal sector workers, with 1.0 percentage point increases; and children and individuals residing in urban areas, both with 0.3 percentage point increases.

3. From 1990 to 2014, the employment-to-population ratio has been stagnant, lying between 59 and 60 per cent. This may be due to the unresolved skills mismatch, low-quality employment and lack of employment opportunities.

4. The prevalence of underweight children under 5 decreased from 20.2 per cent in 2011 to 19.9 per cent in 2013. However, there are five regions where almost 1 out of 4 children are malnourished: the Autonomous Region in Muslim Mindanao (26.2 per cent), Eastern Visayas (25.7 per cent; Bicol (25.3 per cent); Zamboanga Peninsula (25.2 per cent) and SOCCSKSARGEN (25.1 per cent).

## 2. Goal 2: Achieve universal primary education

5. Access to elementary education in the Philippines has improved in recent years, with a total enrolment of 14.5 million in school year 2012-2013, about 91 per cent of whom are in public schools, courtesy of the State policy of providing free and compulsory elementary education. After a steep decline from 2001 to 2006, elementary net enrolment ratio, which is a key indicator of universal access to primary education, has steadily improved, from a low of 83.2 per cent in school year 2006-2007 to 95.2 per cent in school year 2012-2013.

6. Despite this improvement, enhancing internal efficiency in elementary education remains a big challenge, as reflected by both the cohort survival rate and the completion rate. Nevertheless, both rates have generally improved since school year 1991-1992, although the improvement has been characterized by fluctuations. Recent developments and crucial reforms in basic education in the Philippines are expected to advance the achievement of the education target of the Millennium Development Goals in the long run.

## 3. Goal 3: Promote gender equality and empower women

7. Girls consistently maintained a higher proportion relative to boys as regards enrolment at the elementary level from 1999 to 2011, and at the secondary level from 1996 to 2012. Based on the data for 1996-2012, girls also have higher cohort survival and completion rates than boys, suggesting that girls are more likely to stay in school and finish schooling. Further, data for the period from school year 2000-2001 to school year 2011-2012 show consistently that more females than males enrol in tertiary education.

8. While there is lesser disparity between males and females in terms of basic literacy, with literacy of females having been only 1 percentage point higher than that of males in 2008, there is a wide disparity between the two groups in terms of functional literacy, to the advantage of the female population.

9. Women have become more visible in terms of political participation, with a steady increase in the number of women elected to legislative seats and local government positions. While these are positive developments, data show that electoral positions are still dominated by men. In some cases, elected women represent extensions of men, as wives, daughters or mothers.

## 4. Goal 4: Reduce child mortality

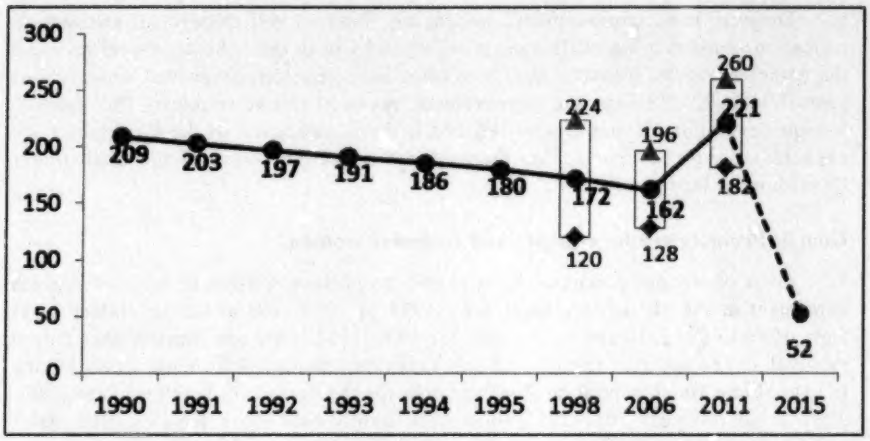
10. Targets for infant and under-five mortality rates remain achievable by 2015. The number of infant and under-five deaths continued to decrease from 2006 to 2013. For every 1,000 live births, the number of infant deaths decreased from 24 in 2006 to 23 in 2013, while under-five deaths decreased from 32 per thousand in 2006 to 31 per thousand in 2013.

11. From 2001 to 2011, more male infants and more infants in rural areas died compared with their female and urban counterparts. Access to facilities and services continues to be an issue in the achievement of the Goal, with far-flung areas still having a difficult time accessing the appropriate child health interventions.

## 5. Goal 5: Improve maternal health

12. For every 100,000 live births, the maternal mortality ratio had decreased from 209 in 1990 to 172 in 1998 and to 162 in 2006. However, it increased to 221 per 100,000 live births in 2011. While the difference between the 2006 and 2011 figures may not be statistically significant (see figure II), the previous observation that the country is not on track in meeting Millennium Development Goal 5 still holds.

Figure II
**Maternal mortality ratio, 1990-2015**




*Sources*: National Statistical Coordination Board (1990-1995); and National Demographic Surveys, National Demographic and Health Surveys, Family Planning Surveys, Family Health Surveys and Philippine Statistics Authority-National Statistics Office (1998-2011).

13. The target for universal access to reproductive health is also unlikely to be achieved, as determined by the contraceptive prevalence rate among currently married women (15-49 years), which increased from 48.9 per cent in 2011 to 55.1 per cent in 2013. This is far from the Millennium Development Goal target of 63 per cent, indicating a low likelihood of achievement. Fast-tracking the implementation of the Responsible Parenthood and Reproductive Health Law is crucial, not just in improving performance in achieving the Millennium Development Goal 5 targets, but also in empowering women to make informed choices.

## 6. Goal 6: Combat HIV/AIDS, malaria and other diseases

14. *HIV/AIDS.* The increase in the number of new HIV infections has become rapid. In December 2014 alone, there were 509 new HIV Ab-seropositive individuals reported, a figure that is 42 per cent higher compared with the same period in the previous year. From 1984 to 2014, there were 2,049 AIDS cases

reported, where 1,744 of the individuals affected (85 per cent) were males. In 96 per cent of cases (1,967), the individuals were infected through sexual contact, 890 through contact with members of the same sex, 657 through contact with members of the opposite sex and 420 through contact with members of both sexes. Those infected ranged in age from 1 to 81 years (with a median of 32).

15. *Malaria.* For every 100,000 members of the population, there was a decline in the malaria morbidity rate, from 123 cases in 1990 to 7.9 cases in 2013, as well as in the malaria mortality rate, from 1.5 deaths in 1990 to 0.01 in 2013. A total of 27 provinces were declared malaria-free in 2012, up from only 13 in 2004.

16. *Tuberculosis.* Tuberculosis is still one of the top causes of morbidity and mortality in the country. For every 100,000 members of the population, the prevalence rate increased from 393 cases in 1990 to 438 in 2013. On the other hand, the tuberculosis mortality rate declined from 58 deaths in 1990 to 27 deaths in 2013 per 100,000 population.

## 7. Goal 7: Ensure environmental sustainability

17. *Forest cover.* Forest cover shrank from 23.9 per cent (7,162,560 hectares) of the country's total land area in 2003 to 22.8 per cent (6,839,718 hectares) in 2010. This can be attributed to the rate of consumption of forest products (e.g., through slash-and-burn agriculture, charcoal making, and logging activities), which far exceeded the rate of reforestation from 2003 to 2010.

18. *Air quality.* When the Philippines ratified the Montreal Protocol on Substances that Deplete the Ozone Layer in 1991, the country committed to phasing out the importation and consumption of chlorofluorocarbons in all sectors. Since the Philippines is neither a producer nor an exporter of chlorofluorocarbons or of other ozone depleting substances, compliance with the treaty is achieved through the gradual decrease in importation. The remarkable performance in decreased consumption of ozone depleting substances can be attributed to the number of regulations and policies for improving air quality in the country, including the Clean Air Act, which was passed in 1999.

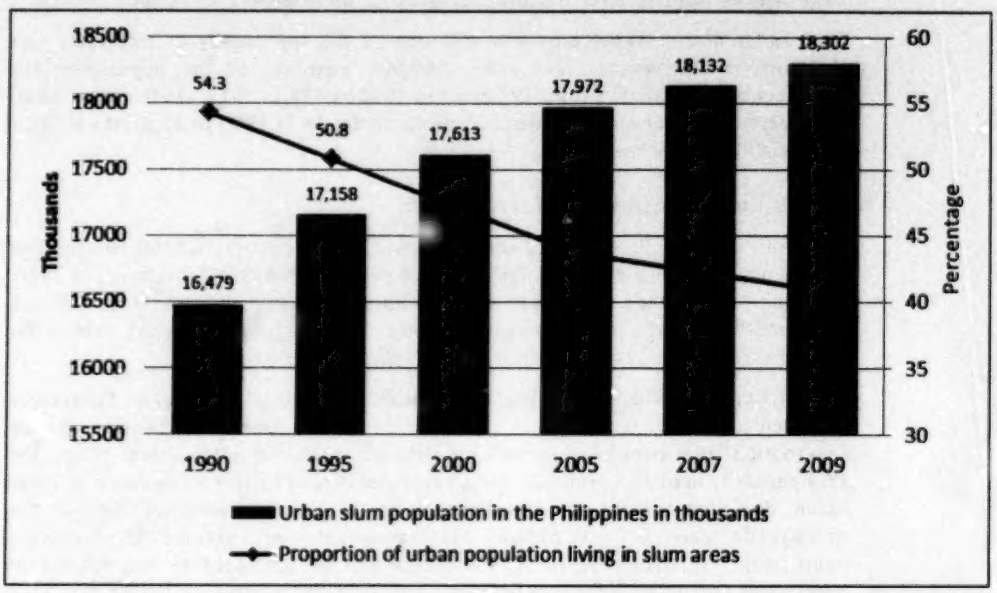
19. *Biodiversity.* The number of areas classified as protected areas (i.e., natural parks, protected landscapes/seascapes, natural monuments/landmarks, resource reserves, wildlife sanctuaries, natural biotic areas and marine reserves) has also been continuously expanding, from 143 terrestrial protected areas, covering 2.49 million hectares (8.5 per cent of the total surface area of the country), in 1990, to 170 covering 4.07 million hectares (13.6 per cent of total surface area) in 2014.

20. *Access to safe drinking water and sanitation.* The proportion of families with access to safe water supply has increased consistently, from 71 per cent in 1990 to 83.8 per cent in 2013, illustrating the high probability of attaining the 2015 Millennium Development Goal target of 86.5 per cent. Further, those with access to sanitary toilets[1] has significantly increased, from 67.6 per cent in 1990 to 92.2 per cent in 2013, a figure that is already higher than the Millennium Development Goal target of 83.8 per cent.

[1] Own toilets, shared toilets and closed pits are considered sanitary, in contrast to open pits, drops/overhangs, pail systems and the absence of access to a toilet facility.

21. *Slum dwellers.* The estimated proportion of the urban population living in slum areas in the Philippines has been declining, from 54.3 per cent in 1990 to about 40.9 per cent in 2009 (see figure III). However, while the proportion has been declining over time, the magnitude of the number of slum dwellers has steadily increased, from 16.47 million in 1991 to about 18.30 million in 2009.

Figure III
**Urban slum population (thousands) and proportion of urban population (percentage) living in slum areas, 1990-2009**




*Source*: United Nations Human Settlements Programme (UN-Habitat), *State of the World's Cities 2012/2013: Prosperity of Cities* (New York, Routledge, 2013).

### 8. Goal 8: Develop a global partnership for development

22. In terms of developing further an open, rule-based, predictable, non-discriminatory trading and financial system, the Philippines continues to improve the competitiveness of industries by enhancing the business environment. In the *Global Competitiveness Report 2014-2015* (Geneva, World Economic Forum, 2014), the Philippines ranked fifty-second among 144 economies, up seven notches from the previous year's fifty-ninth place. The level of the Philippines in the Global Competitiveness Index has consistently risen and the Philippines has also made the biggest improvement among all countries by rising 23 notches since 2010. The results suggest that the reforms of the past four years have bolstered the country's economic fundamentals.

## B. Major interventions

23. Since the adoption of the United Nations Millennium Declaration in 2000, the commitment from all levels of the Government of the Philippines has been evident

by virtue of the numerous policies put in place and the programmes implemented to support the Millennium Development Goals. The concerted efforts of the different stakeholders (business, civil society, community/people and international development partners) have added to the strength of Millennium Development Goals implementation in the Philippines.

## 1. What worked?

### (a) Clear institutional arrangements

24. The highest level of political support is given to the attainment of the Millennium Development Goals in the country, as evidenced by the fact that the current and former Presidents of the Philippines have, in this regard, led a number of country delegations and reported on the progress of the Philippines in achieving the Goals, particularly during the sessions of the General Assembly.

25. The Millennium Development Goals are also at the centre of policy discussions in regular Cabinet-level meetings, such as Cabinet meetings with the President, meetings of Cabinet Clusters, particularly the Human Development and Poverty Reduction Cluster, and meetings of the Social Development Committee of the National Economic and Development Authority Board. There is also explicit support from the legislative branch, through the creation by the House of Representatives of the Special Committee on the Millennium Development Goals, which functions as an oversight body of the House of Representatives in regard to attainment of the Millennium Development Goals.

26. For programme and project coordination, the Multisectoral Committee on International Development Commitments, a subcommittee of the Social Development Committee of the National Economic and Development Authority Board, is being utilized to monitor the country's progress and the efforts of various stakeholders to promote achievement of the Goals; and to monitor, report on, review and evaluate the compliance of the Philippines with commitments made during international conferences on human and social development. Social Development Committee resolution No. 1 (series of 2003),[2] tasked the National Economic and Development Authority with serving as the lead agency in coordinating and monitoring the Millennium Development Goals and identified specific lead agencies for each of the Goals-related concerns (see table 1).

Table 1
**Lead agencies of the Philippines, according to Millennium Development Goals-related area of concern**

| *Agency* | *Goals-related area of concern* |
|---|---|
| National Anti-Poverty Commission | Poverty alleviation |
| Housing and Urban Development Coordinating Council | Shelter and human settlements |

[2] Entitled "Expanding the composition of the Multisectoral Committee on International Human Development Commitments, Amending Social Development Committee Resolution No. 1 (series of 1996)".

| *Agency* | *Goals-related area of concern* |
|---|---|
| Department of Health | Health concerns including water and sanitation |
| National Nutrition Council | Hunger and nutrition |
| Department of Education | Primary education |
| Philippine Commission on Women | Gender equality and empowerment of women |
| Department of Environment and Natural Resources | Environmental sustainability |
| Department of the Interior and Local Government | Localization of the Goals |
| Philippine Statistics Authority (now encompassing the former National Statistics Office and the National Statistical Coordination Board) | Indicators/statistics |
| Department of Budget and Management | Financing/budget |
| Department of Trade and Industry; Department of Finance | Global partnership for development |

27. To ensure availability of data for progress monitoring, National Statistical Coordination Board resolution No. 10 (series of 2004)[3] designated the Board as the repository of Millennium Development Goals indicators in the Philippines and coordinator for the generation and improvement of statistics for the Goals. The resolution also enjoined all concerned data-producing agencies and local government units to generate and regularly provide timely and accurate statistics for monitoring Goals indicators. The Board readily provides data and estimations on the probability of achieving national-level targets through the Millennium Development Goals Watch website. Along similar lines, the regional offices of the Board maintain regional Millennium Development Goals databases, which provide regional-level statistics. These data are being utilized in policymaking, in identifying priority areas and interventions, and in formulating progress reports on the Goals.

28. The Government, through the National Economic and Development Authority, prepared five national Millennium Development Goals progress reports, released in 2003, 2005, 2007, 2010 and 2014. These reports were prepared in consultation with various government agencies, academia and research institutions, the United Nations country team and civil society organizations. The reports exhibited the progress made in respect of each of the Goals, the challenges encountered and the actions needed to keep the country on track towards the achievement of the Goals.

[3] Entitled "Adoption of and Enjoining Data Support to the Millennium Development Goals Indicators".

**(b) Policies supporting the Millennium Development Goals**

29. *Development planning.* In respect of the crafting of the Medium-term Philippines Development Plan 2004-2010 and the Philippines Development Plan 2011-2016, the Millennium Development Goals served as a guide in the formulation of medium-term policies and strategies. The Goals were integrated in the sectoral plans and budgets, and were explicitly considered in the context of the prioritization of programmes and projects to be implemented.

30. The Philippines Development Plan 2011-2016 midterm update mainstreamed the recommendations of the Philippines fifth progress report on the Millennium Development Goals by emphasizing the importance of improving human capabilities and reducing vulnerabilities so as to equalize development opportunities and enable achievement of rapid and sustained economic growth. It also recognized the impact of geography on the quality of human life by tailoring government interventions according to the needs of three categories of provinces: those with the highest number of the poor; those with the highest proportion of the poor; and those that are prone to multiple hazards, particularly natural disasters.

31. *Investment programming.* Programmes and projects supporting the Millennium Development Goals were included in the Medium-term Philippines Investment Programme 2004-2010 and the Public Investment Programme 2011-2016, the investment plans accompanying the Medium-term Philippines Development Plan and the Philippines Development Plan. Monitoring the flow of official development assistance (ODA) in the country enables the National Economic and Development Authority to include the list of foreign-assisted projects supporting the Goals in the annual ODA portfolio review reports submitted to the Congress of the Philippines.

32. *Localizing the Millennium Development Goals.* As the agency tasked to lead Goals localization, the Department of the Interior and Local Government issued memorandum circular No. 2004-152[4] in November 2004 to encourage local government units to intensify efforts in the implementation of programmes, activities and projects and increase budgetary allocations for basic social services in support of achievement of the Goals. It also provided guidance on poverty-focused planning and budgeting and local poverty diagnosis and monitoring, and encouraged replication of good practices responsive to the Goals. To further assist local government units, the following tools, instruments and facilities promoting Goals localization were developed and made available:

- The Local Government Unit Menu of Options to Address the Millennium Development Goals, which recommends specific projects and activities that may be implemented by the units to address Millennium Development Goal targets
- Millennium Development Goals localization costing templates, which help local government units estimate the required investment cost for the implementation of the Goals-related programmes, activities and projects
- Good practices in local governance: facility for adaptation and replication, which promotes and institutionalizes sharing and replication of sustainable good practices in local governance and enables local government units to improve the delivery of basic services to their constituents

[4] Entitled "Guide to LGUs in the Localization of the MDGs".

- The Monitoring and Evaluation System on Tracking Local Government Unit Responses to Millennium Development Goals, which aims to monitor local government unit contributions and local-level progress on the attainment of the Goals and related initiatives of local government units

33. *Financing the Millennium Development Goals.* To provide information on the financial requirements for supporting the achievement of the Goals by 2015, the National Economic and Development Authority and the United Nations Development Programme (UNDP) commissioned the conduct of a study[5] in 2006 that examined national and local government financing for poverty reduction, universal access to complete primary education, health-related Goals and improved access to water supply and sanitation. The study generated estimates of the resource requirements, available resources and financing gaps in respect of the implementation of related programmes and projects from 2007 to 2015, and provided policy recommendations on how to bridge those financing gaps. An update of the study[6] by the Philippines Institute of Development Studies in 2011 indicated the need for the Government to consider enacting new tax measures so that fiscal consolidation could be achieved without sacrificing the financing for the Goals and inclusive growth.

34. Since 2006, Department of Budget and Management guidelines and procedures related to the preparation of national and local budgets have emphasized funding for Millennium Development Goals-related programmes, activities and projects. The Goals were also given high priority in the preparation of the expenditure plans and programmes of concerned agencies, such as:

- The Health Expenditure Framework of the Department of Health, which aligns its budget with policy priorities within the medium term so as to ensure funding for all priority health programmes in the coming years
- The Department of Education Medium-term Spending Plan 2012-2017, which details the cost of investments needed for addressing input deficiencies so as to promote universal access to quality education
- The Department of Social Welfare and Development budget strategy prioritizing programmes related to conditional cash transfer and national household targeting
- The Department of Finance Millennium Development Goals Fund (MDG-F),[7] which allocated 500 million Philippine pesos (PhP) for financing local initiatives in support of attaining the Goals' objectives, and specifically for the implementation of the Goals-related projects of fourth- to sixth-class municipalities. The Department assisted local government units in expanding and upgrading social infrastructure so as to provide quality Millennium Development Goals-supportive services to their constituents

[5] Entitled "Financing the MDGs: the Philippines".

[6] Entitled "Financing the MDGs and Inclusive Growth in the Time of Fiscal Consolidation".

[7] Established through the issuance of resolution No. 04-12-22-2005 by the Millennium Development Fund Office. The Department of the Interior and Local Government and the Department of Finance-Municipal Development Fund Office agreed to jointly implement the Millennium Development Goals Fund under a memorandum of agreement signed on 6 August 2007.

- The Department of the Interior and Local Government Local Governance Performance Management Programme, which was conducted through the Performance Challenge Fund financial subsidy facility. This helped stimulate local governments through conferring premiums for performance to enable financial support for jump-starting and sustaining local economic development initiatives for poverty reduction in their localities.

35. Gains that resulted from these efforts are reflected in the trend towards increasing national government expenditures for social services (from PhP 278.3 billion in 2008 to PhP 504.3 billion in 2012).

Table 2
**National government expenditures for social services 2008-2012**
(Billions of Philippine pesos)

| *Year* | *2008* | *2009* | *2010* | *2011* | *2012* |
|---|---|---|---|---|---|
| Expenditure | 278.3 | 310.0 | 306.0 | 408.1 | 504.3 |

*Source*: *Department of Budget and Management*, Budget of expenditures and sources of financing, 2008-2012.

36. *Monitoring the Millennium Development Goals.* The Core Local Poverty Indicator Monitoring System was developed for the purpose of generating local-level information for poverty diagnosis and planning, given the importance of establishing benchmarks and monitoring progress made at the local level. The Core Local Poverty Indicator Monitoring System recommends the use of 14 core local poverty indicators for local planning and monitoring of local Goals-related progress. Further, the Department of the Interior and Local Government and the National Anti-Poverty Commission prescribed the Community-based Monitoring System, which is a tool used in collecting data at the local level for evidence-based planning, budgeting, local development programmes implementation, and monitoring and evaluation. It entails a census of all households at the *barangay* level. Given that the core set of Community-based Monitoring System indicators includes health, nutrition, shelter, water and sanitation, basic education, income and employment, it has been readily adopted as a tool for generating Millennium Development Goals indicators. As of 15 January 2015, the Community-based Monitoring System was being utilized in 75 provinces, 69 cities, 867 municipalities and 23,410 *barangays*.

### (c) Implementation of major programmes and projects supporting the Millennium Development Goals

37. *Pantawid Pamilyang Pilipino Programme.* Launched in 2008, this poverty reduction programme using the conditional cash transfer mechanism serves as the cornerstone of the Government's strategy to fight poverty and attain the Millennium Development Goals. It has the twin objectives of providing social assistance for the immediate needs of the family and enabling, through human capital investments, the social development needed to break the intergenerational poverty chain. The beneficiary households are selected through the National Household Targeting System for Poverty Reduction, managed by the Department of Social Welfare and Development, using the Family Income and Expenditure Survey and small-area estimates of the Philippine Statistics Authority. As of 31 December 2014, the Pantawid Pamilyang Pilipino Programme was being implemented in 144 cities and

1,483 municipalities in 80 provinces, where a total of 4,455,116 households are enrolled. Of the total number of households, 4,236,739 are covered by the regular Pantawid Pamilyang programme, while 218,377 households are covered by the Modified Conditional Cash Transfer, which covers beneficiaries who are not covered by the regular conditional cash transfer, such as the homeless and street families. In terms of the distribution of households, 1,821,649 (40.89 per cent) are from Luzon, 1,725,190 (38.72 per cent) from Mindanao and 908,277 (20.39 per cent) from Visayas.

38. *Kapit-Bisig Laban sa Kahirapan — Comprehensive and Integrated Delivery of Social Services (KALAHI-CIDSS).* This programme is a community-driven development approach that seeks to combat poverty and improve local governance by strengthening the capacity of citizens to identify and implement local solutions to poverty issues. In essence, it puts power back in the hands of the people by giving them the opportunity to make informed decisions on locally identified options for development.

39. At present, KALAHI-CIDSS has expanded to the national scale with the implementation of the KALAHI-CIDSS National Community-driven Development Programme, a poverty alleviation programme of the national Government implemented by the Department of Social Welfare and Development. In addition, there are other projects being implemented under the Programme, namely: KALAHI-CIDSS Additional Financing, KALAHI-CIDSS Millennium Challenge Corporation, Australian Grant, the Japan Social Development Fund-Livelihood for Vulnerable Urban Communities, KALAHI-CIDSS-Payapa at Masaganang Pamayanan (PAMANA), Bottom-up Budgeting and the Japan Fund for Poverty Reduction.

40. Since 2003, the programme has covered 8,435 *barangays*, 364 municipalities, and 49 provinces in 12 regions. As of December 2014, KALAHI-CIDSS had funded a total of 10,008 sub-projects, 6,611 of which are already completed and directly benefiting approximately 1.5 million household beneficiaries. The table below presents the breakdown of physical accomplishment per project.

Table 3
**Physical accomplishment per project**

| *Project* | *Funded sub-projects* | *Completed sub-projects (number/proportion)* | *Household beneficiaries of completed sub-projects* |
|---|---|---|---|
| National Community-driven Development Programme | Ongoing social preparation activities | | |
| KC-Additional Financing | 2 330 | 2 328 (99.9 per cent) | 595 334 |
| KC-Millennium Challenge Corporation | 2 966 | 1 786 (60 per cent) | 388 933 |
| Australian Grant | 230 | 0 (0 per cent) | |
| Japan Social Development Fund-Livelihood for Vulnerable Urban Communities | 95 | 84 (88.42 per cent) | n/a |
| PAMANA | 3 351 | 2 287 (66.25 per cent) | 577 359 |
| Bottom-up Budgeting | 921 | 125 (13.57 per cent) | n/a |
| Japan Fund for Poverty Reduction | 115 | 1 (0 per cent) | n/a |
| **Total** | **10 008** | **6 611** | **1 550 281** |

*Abbreviations*: n/a, not available.

41. KALAHI-CIDSS has demonstrated that empowered communities can mobilize resources in order to address their pressing problems through solutions that they themselves discuss, prioritize, implement, maintain and claim ownership for. In September 2011, the World Bank prepared "The KALAHI-CIDSS impact evaluation: a synthesis report", which presented the following results:

- Households and locally elected officials in targeted municipalities see value in the KALAHI-CIDSS approach, as available data indicate relatively high participation rates in project activities
- KALAHI-CIDSS was successful in minimizing risk of elite capture
- The programme had a positive impact on household consumption
- The programme led to improvements in basic service delivery
- KALAHI-CIDSS increased participation in *barangay* assemblies, associated with greater body of knowledge concerning the *barangay*'s income and expenses, consistent with the project development objective
- The project had positive impacts on a number of social capital outcomes, which have been shown to be more important determinants of household welfare

42. *Universal health care.* For 2010 to 2016, the country's health programme is anchored by the Universal Health Care Programme, with attainment of the Millennium Development Goals being one of its strategic thrusts. The objective of the Programme is to promote equity in health through the provision of full financial protection and improvement of access to priority public-health programmes and quality hospital care, especially for the poor. To attain health-related Millennium Development Goals, public-health commodities were procured for distribution to rural health units serving areas covered by condition cash transfer; community health teams were mobilized and trained; about 10,000 nurses were deployed under the Registered Nurses for Health Enhancement and Local Service programme; and implementation plans were developed in 12 geographical areas where Goals-related problems are concentrated.[8]

43. *Kindergarten to 12 Years Basic Education Programme (K to 12).* The adoption of the 12-year formal basic education cycle is among the most urgent and critical tasks referred to under the Philippines National Action Plan for Education for All (EFA) 2015. Under K to 12, the Government targets universal kindergarten enrolment for children age 5. Primary/elementary education will continue to have a duration of six years, while the duration of secondary-level education will be lengthened to six years from the current four. This initiative is based on the anticipated need for Filipinos to be equipped with improved competencies which match the efforts of neighbouring countries and respond to the domestic and international demand for higher levels of competencies. The mandatory implementation of universal kindergarten started in school year 2011-2012, while the K-to-12 curriculums for grades 1[9] and 7 (first year of junior high school)[10] were

[8] Known as the MDG Dozen of the Department of Health, these areas are Metro Manila, Negros Occidental, Quezon, Cebu, Pangasinan, Iloilo, Cavite, Maguindanao, Zamboanga del Sur, Leyte, Davao del Sur and Pampanga.

[9] The first group to fully participate in the K to 12 programme.

[10] The first group to participate in the enhanced secondary education programme.

implemented in school year 2012-2013. The Department of Education is currently preparing the necessary infrastructure (e.g., classrooms and other arrangements) needed for the provision of senior high school education. Grade 11 (year 5 of high school) and grade 12 (year 6 of high school) will be introduced in school years 2016-2017 and 2017-2018, respectively. There will be a continuum from kindergarten to grade 12 with an enhancement of the curriculum to enable mastery in learning for the duration of basic education.

**(d) Active participation of various stakeholders**

44. *Making Champions: Local Chief Executives.* Success or failure in respect of achieving the Millennium Development Goals is contingent on the interventions and political will of local government units inasmuch as the decentralization policy has given them the primary responsibility for ensuring the welfare and development of their constituents (Department of the Interior and Local Government, 2010). The localization of the Millennium Development Goals through the production of subnational Goals reports has been path-breaking in the Philippines because it created *champions* among the local chief executives. The participatory process utilized in formulating the Goals reports has increased the sense of ownership of those reports by, and the commitment to pursuing the Goals of, the 17 provincial and 3 city governments (Reyes, 2014). Their political buy-in to the Goals has undeniably translated into a commitment to contributing to the achievement of the Goals and their targets. This commitment set the stage for (a) budgeted and implemented Goals-related programmes and projects; (b) conscious efforts to address the objectives with low probability of attainment as well as sustain those that have been attained; and (c) the mainstreaming of Goals-related targets into local development plans.

45. *International development partners.* Advocacy activities designed to generate donor support were conducted through the Philippines Development Forum, the primary government mechanism for facilitating substantive policy dialogue among stakeholders on the country's development agenda. Through the creation of a Technical Working Group on the Millennium Development Goals and Social Progress, policy dialogues in support of the Goals were facilitated. Several multilateral and bilateral agencies have already aligned their country assistance frameworks with the Goals. As regards the Government's conditional cash transfer programme, partnership with donor organizations such as the World Bank was forged to provide financial support for the programme's implementation. As a means of mobilizing financial resources, assistance from international development agencies was tapped. Foreign assistance (through loans and grants) in improving the basic education sector from 2000-2010 amounted to about PhP 45.9 billion.

46. *Public-private partnership.* Recognizing the important role of the private sector as the main driver for national development, the Government identified the implementation of public-private partnerships as a cornerstone of its strategy for accelerating infrastructure development in the country and sustaining economic growth. To strengthen public-private partnerships in the Philippines, the PPP Centre was established in 2010 to coordinate the facilitation of such partnerships in the country. The current public-private partnerships framework expanded its coverage to include non-traditional infrastructure sectors such as health and education and other social infrastructure and development projects.

47. *The business sector.* Philippine Business for Social Progress served as leader in the formulation of the Philippines Millennium Development Goals Framework for Business Action through a series of consultations with business executives and leaders of corporate foundations, corporate officers, government partners and the donor community. In 2004, Philippine Business for Social Progress published "Responding to the Millennium Development challenge: a road map for business in the Philippines" and the "Business and the MDGs investment report 2010", which indicated that there had been about PhP 2.5 billion in corporate investment from 2005-2010 for the implementation of Millennium Development Goals-related initiatives on poverty, health, education and environment (see table 4).

Table 4
**Private sector Millennium Development Goals-related investments**

| | | |
|---|---|---|
| Poverty reduction projects | Create livelihood and employment opportunities for the poor | PhP 1.76 billion |
| | Provide access to basic services, including food and nutrition for children | |
| Education-related projects | Direct school facilities improvement | PhP 435 million |
| | Support for systems improvement | |
| | Capacity-building for parents and teachers | |
| | Provision of scholarships and support to students | |
| Health | Medical missions sponsored by companies | PhP 145 million |
| | Programmes for the prevention and treatment of HIV/AIDS, tuberculosis and other diseases, which are undertaken as workplace programmes for employees and their dependants | |
| Environment | Most of the companies surveyed are supportive of initiatives for sustainable water resource utilization | PhP 143 million |
| | In terms of financial support, most of the investment was in programmes promoting biodiversity | |

48. *Civil society.* Active participation of civil society is evident in the participation of Gawad Kalinga/Habitat for Humanity and other non-governmental organizations in the implementation of a comprehensive and permanent housing programme for the victims of Typhoon Sendong in Cagayan de Oro, Iligan and Dumaguete City.

49. The establishment of a referral system among service providers resulted in a more systematic delivery of treatment, care and support services to persons living with HIV, affected family members and significant others. This has been demonstrated in an initiative undertaken by the Alliance Against AIDS in Mindanao.

50. The Pilipinas Shell Foundation Movement Against Malaria has been instrumental in reducing malaria mortality and morbidity in the five malaria-endemic provinces of Palawan, Apayao, Quirino, Sulu and Tawi-Tawi through the distribution of long-lasting insecticide-treated nets and indoor residual spraying.

51. Social Watch Philippines, a network of citizens' organizations established to promote people-centred sustainable development, has prepared citizens reports on the Millennium Development Goals, which provide assessments of the Government's efforts from the perspective of civil society organizations and recommendations on how to improve performance in respect of achieving the Goals.

52. The role of the media in deepening the appreciation and understanding of the Millennium Development Goals, especially in hard-to-reach areas, should also be underscored. Philippine Media Advocates for Development and Empowerment (PhilMADE) is an alliance of media advocates acting as catalysts in creating an enhanced policy environment favourable to gender, population and reproductive health programmes, particularly for marginalized and poor communities, oriented towards achievement of the Millennium Development Goals.

53. *Communities'/people's participation.* The 2012 study of the Asian Development Bank entitled *The KALAHI-CIDSS Project in the Philippines: Sharing Knowledge on Community-Driven Development* reported that the participatory planning processes of KALAHI-CIDSS ensure that all community members, especially the poor, have the opportunity to be involved in the situation analyses that lead to village development plans. These, in turn, serve as an important input into municipal development plans. The transparency of the programme's Municipal Inter-barangay (inter-village) Forum strengthens the responsiveness of local planning and budgeting systems to the needs of the poor. The Forum is an effective mechanism for carrying out sub-project selection and the allocation of development resources.

### 2. What did not work?

#### (a) Conflicting and overlapping policies

54. There are a number of conflicting and overlapping policies that led to the delay or suspension of some projects. These include:

- Forest protection laws versus the Agriculture and Fisheries Modernization Act
- The National Integrated Protected Areas System Act versus the Fishery Code, particularly in respect of the municipal-water income of municipalities within protected areas, as well as versus the Local Government Code on the matter of the jurisdiction of local government units within protected areas
- The Mining Act, the National Integrated Protected Areas System Act, the Indigenous Peoples' Rights Act and the Local Government Code

55. On the provision of decent housing for the poor, various laws provide that "economic and socialized housing" refers to housing units, which are within the affordability level of the average- and low-income earners, represented by 30 per cent of gross family income. Thus, the targeted beneficiaries of socialized housing are those in the first to third deciles. However, given the existing price ceilings, socialized housing can be afforded only by families in the sixth decile and above.

#### (b) Weak implementation and monitoring at the local level

56. The achievement of the Millennium Development Goals depends largely on the effective provision of basic social services to the people, most of which devolve

to the local government units. However, implementation and monitoring at the local level have been weak, owing to the following factors:

57. *Lack of capacity.* Given the devolution of health services mentioned directly above, there must be a strengthening of capacities at the local level and, at the same time, the assured availability of trained human resources; otherwise, upgraded health facilities will be useless. The National Agenda to Accelerate the Achievement of Millennium Development Goal 5 recommended that the Department of Health decide on the organization of emergency obstetric services and a needs assessment of health facilities and hospitals (in terms of functionality and distribution) to serve as bases for strengthening capabilities to reduce maternal mortality. As regards the environment, the Philippines Development Plan 2011-2016 highlighted the need to develop the competence of local government units to implement their mandated tasks and properly assume environment and natural resources-related functions, while considering the technical expertise needed to implement provisions of environment and natural resources laws requiring the application of new and sophisticated technologies (e.g., the geographic information system, the Global Positioning System, valuation, databases and online connectivity of information systems).

58. *Resource constraints.* The institutional and financial capacities of local government units in respect of service delivery to their constituents need to be improved so as to ensure the implementation of effective interventions for the achievement of the Millennium Development Goals. A research report prepared by the Philippine Institute for Development Studies and the United Nations Children's Fund (UNICEF), entitled "Improving local service delivery for the MDGs in Asia: the Philippines' case" (PIDS Discussion Paper, No. 2009-34 (Makati City, Philippines, November 2009)), observes that the immediate transfer of powers, functions and responsibilities for carrying out devolved services, as a result of the enactment of the Local Government Code in 1991, has created a "mismatch between LGUs' powers and responsibilities, and institutional and financial capacities". The study also mentions that resource constraints and institutional deficits impact on the quality and quantity of services delivered, especially in most fifth- and sixth-class municipalities and low-income provinces. These concerns highlight the need to intensify efforts to strengthen the absorptive capacity of local government units so as to improve the delivery of services to their constituents.

59. *Low compliance with the Department of the Interior and Local Government monitoring and evaluation system.* Notwithstanding the related circulars issued by concerned national government agencies on establishing a mechanism to monitor progress at the local level, many local government units still lack the appropriate monitoring systems, which would enable them to track their progress and provide timely and disaggregated data and statistics for identifying the interventions needed to meet the Millennium Development Goals. Since the setting up of a monitoring system (e.g., the Community-based Monitoring System) entails costs, encouraging local government units to invest in such system remains a challenge. The low compliance of local government units in respect of implementing the Department of the Interior and Local Government monitoring and evaluation system has hindered efforts towards establishing a system that will provide information on the progress at the local level, initiatives undertaken by the units and investments made to support achievement of the Goals. The Department identified the following factors as responsible for the units' low compliance:

- Lack of the funds needed to orient and provide technical assistance nationwide
- Confusion stemming from differences in the data-gathering tools used to track progress in achieving the Millennium Development Goals at the local level
- Competing workload priorities
- Differences in the understanding of how to fill out and encode forms
- Difficulty in tracking data for three years due to poor records management

60. *Low compliance as regards reporting on Millennium Development Goals-related budget allocations and expenditures.* The Department of Budget and Management-National Economic and Development Authority joint circular No. 01-2011[11] required concerned government agencies to submit annual reports on allocation, spending, and accomplishments for the implementation of Millennium Development Goals-related programmes, activities and projects, which are consolidated by the Authority to enable the determination of the Government's financial investment for the Millennium Development Goals. Since the tracking tools are independent instruments for monitoring and were not consciously taken into consideration during the planning process, the categorization of interventions per Goal may not signify determined efforts on the part of the local government unit to formulate and implement programmes, activities and projects designed to address the Goals. Thus, deliberate planning for the achievement of the Goals remains desirable at the local level (Department of the Interior and Local Government, 2010).

61. *Unequal prioritization of Millennium Development Goals at the local level.* In terms of policies, local support remains inadequate for responding to the targets under Goals 4 and 5. Across regions and provinces, it is noticeable that these two Goals received the lowest priority in terms of policy support among local government units, providing some evidence of why attainment of these targets is lagging behind at the national level. Ensuring maternal health, including the improvement of the contraceptive prevalence rate and provision of reproductive health care, remains a low priority among those units. This being the case, the challenge of engaging local government units in support of these targets through the enactment of local policies remains a critical concern.

**(c) Growth is not inclusive**

62. Despite the growth of the economy over the past decade, the benefits have not reached the poorest and most vulnerable. Certain segments of the population remain poor despite the implementation of various poverty reduction programmes. Poverty incidences for fishermen, farmers, children, and self-employed and unpaid family workers are higher than the incidence of poverty at the national level and have not improved over the last decade. Further, the indigenous peoples sector has remained among the most vulnerable. Further, the share of vulnerable employment in total employment remains high, indicating that many are still working under relatively precarious circumstances.

[11] Entitled "Guidelines to institutionalize reporting of budget allocations and expenditures including physical targets and accomplishments for the Millennium Development Goals".

**(d) Urban and rural disparities**

63. There are wide disparities across regions in terms of the net enrolment, cohort survival and completion rates of schoolchildren. Performance is better in regions with higher average annual family income. Moreover, trends in terms of the ratio of girls to boys in both primary and secondary education indicate that, in order for gender equality in education to be achieved, efforts should be focused on boys. Boys drop out because they have to work, lack the money to pay for school requirements or have a lower motivation to attend school.

64. In regard to maternal health, there are wide variations across geographical locations, which may be due to inadequate access to maternal services, especially for those situated in difficult-to-reach areas, and other socioeconomic factors affecting the utilization of health-care services. Moreover, a significant proportion of birth deliveries are still performed at home and attended not by skilled health professionals but rather by *hilots* (traditional or folk matrons), especially in areas where the services of skilled professionals are inaccessible. The National Agenda to Accelerate the Achievement of MDG 5 determined that women prefer to deliver in their own homes based on a variety of factors, such as:

- Disrespect experienced during treatment received outside the home
- Discontinuity of the treatment provided by health providers of antenatal care, delivery assistance and post-partum care
- Geographical distance
- Financial costs

65. It was also pointed out that the full range of antenatal care services are not provided to women, which means that critical opportunities are missed to improve women's overall health and promote better pregnancy outcomes. Other concerns include inadequacies of the referral system, non-utilization of health facilities due to lack of awareness, increasing unmet needs for family planning services, and the increasing incidence of teenage pregnancy.

**(e) Data constraints**

66. The lack of updated or timely data on some indicators also poses a challenge to implementation of effective policies and programmes, owing mainly to the large intervals over the period of data gathering, and the lag times between the gathering, the processing and the dissemination of data. For example, estimates for infant, under-five, and maternal mortality are generated only every three to five years. Moreover, it was observed that there are no defined targets for some indicators, such as for employment under Goal 1, for access to secure tenure under Goal 7 (ensure environmental sustainability) and for those targets under Goal 8. Monitoring the progress under these indicators would have been more meaningful if targets had been explicitly defined.

67. Data disaggregation by sex and geographical area is also crucial in the designing of appropriate interventions. Currently, sex-disaggregated data are available only for a number of Millennium Development Goal indicators, while geographically disaggregated national and regional data are readily available for most indicators. The Philippine Statistics Authority also generates data up to the regional and provincial levels for only a few indicators, which are reported through

the Regional Millennium Development Goals Watch and the Provincial/City Millennium Development Goals Watch. Its limited range of indicators is due to the lack of provincial disaggregated data and the unavailability of provincial- and municipal-level data. Data are available only in local government units that invested in establishing a local data-gathering system for the monitoring of local-level Goals-related progress. Further, the Community-based Monitoring System is not available in every local government unit owing to financial constraints. A few are already engaged in their second round of surveys, but most cannot conduct a follow-up of the first survey owing to the aforementioned factors.

**(f) Man-made and natural shocks**

68. The occurrence of man-made and natural shocks has also affected the attainment of the Millennium Development Goals in the Philippines, which is one of the most disaster-prone countries in the world. The fifth progress report of the Philippines on the Goals demonstrated how these shocks tend to move non-poor families into poverty and poor families into even greater poverty.

## C. Lessons learned

69. The following are some of the lessons learned in implementing Millennium Development Goals-related interventions:

- Tasking an organized body such as the Multisectoral Committee on International Development Commitments with leading the monitoring and reporting of the country's compliance in respect of the Millennium Development Goals paved the way for the institutionalization of the Goals within the regular functions of the government.
- Identifying lead agencies per area of Goals-related concern facilitated mainstreaming into the functions of concerned government agencies, the recognition and ownership of responsibilities for supporting the Goals, and the prioritization of the Goals in the national budget. However, there is a need to review and harmonize a number of conflicting and overlapping policies so as to ensure effective implementation.
- Seamless partnerships. Greater efficiency in delivery of systems requires all stakeholders to be informed at the minimum on what partners have been engaged in doing. More intensive coordination is needed at two levels:
  - Among national government agencies, each of which should keep the others apprised of its initiatives directed towards the localization of the Millennium Development Goals, in order to prevent duplication and enable synchronization with respect to projects, so that partners can better achieve the set objectives. The Department of the Interior and Local Government can take the lead in this regard.
  - Among local government units: closer coordination among units can increase the probability that goals and targets will be fully localized. Best-performing local government units can share their good practices with those who are lagging behind. Meetings of leagues of local government units can provide a good venue for such activity.

- Instituting policies designed to create an environment for Goals localization enabled local government units to assume the role of champions in the delivery of services designed to support achievement of the Goals. However, their institutional and financial capacities need to be improved to ensure the effective implementation of interventions.

- The availability of official data has allowed the establishment of a system for tracking progress made at the national and subnational levels. However, the monitoring system could be further improved if appropriate and timely statistics and data, disaggregated by sex and geographical area, were available.

- Making data available at the local level is important in ensuring the implementation of appropriate interventions. This has been demonstrated through the experiences of local government units that utilized data generated from the Community-based Monitoring System for various purposes, ranging from the formulation of Goals-responsive local development plans to the monitoring of local progress. However, many local government units still need further encouragement in respect of investing in the establishment of a data monitoring system. Capacities for data utilization aimed at identifying priorities and formulating effective programmes and projects in support of the Millennium Development Goals should also be enhanced.

- It is important to put in place a system that will provide an information database on the progress made at the local level, the initiatives undertaken by the local government units and the investments made to support Goals achievement. This highlights the need for efforts to strengthen the implementation of the Department of the Interior and Local Government monitoring and evaluation system.

- Monitoring of initiatives undertaken to support achievement of the Millennium Development Goals would be worthwhile in the context of assessing the contributions made to the achievement of the Goals. The reporting mechanism put together by the National Economic and Development Authority and the Department of Budget and Management to monitor the physical and financial accomplishments of the Government needs to be improved. It would also be meaningful to create a system for monitoring the efforts of civil society organizations and the business sector.

- Advocacy activities need to be strengthened, as new and innovative ways of informing local government units about the Millennium Development Goals and their crucial role in its achievement are needed. Tools and programmes developed for localizing the Goals need to be further disseminated so as to encourage those units to take advantage of such instruments.

- Building on lessons learned from Millennium Development Goals localization, the post-2015 localization should be implemented simultaneously across all local government units. Support and capacity-building should be provided to poorer units and weaker units in terms of capacity.

- Transparency in local governance: the political buy-in of local chief executives represents a step in this direction. Transparency in local governance would make local officials more accountable to their constituents in terms of implementing their development agenda.

- Promoting inclusive growth is vital to ensuring that the poorest and most vulnerable will be given the assistance necessary to help them improve their living conditions. Resources should therefore be channelled to underserved areas and allocated to help the most vulnerable segments of the population, such as fisherfolk, farmers, children and indigenous peoples. Given the importance of providing gainful employment opportunities to the most vulnerable, employment generation should be at the core of the poverty reduction strategies.

- The Philippines Development Plan 2011-2016 set out the following major strategic goals for achieving inclusive growth: (a) massive infrastructure development; (b) higher governance standards; (c) human development and human capital formation; (d) direct poverty relief; and (e) employment generation. The collaborative efforts of various stakeholders towards the realization of these strategies should be promoted. Inequality would then be expected to decline as access to development opportunities became equalized across geographical areas and across the income and social spectrum.

- There is a need to work on minimizing the impact of man-made and natural shocks, as these posed challenges to advancing poverty reduction in the country. This calls for the provision of needed adequate safety nets so as to stem the movement of people into poverty.

# II. Thematic focus

## Formulation of the Philippines sustainable development framework

70. The overarching vision of the Philippines in respect of sustainable development is compressed into the following phrase: "every Filipino living in prosperity, peace, justice and dignity". This aspirational vision encompasses a commitment to ensuring that every Filipino benefits equitably from economic growth, is able to enjoy human rights, realizes his or her full potential in a just, peaceful and cohesive society, and lives in harmony with nature. It is a people-centred vision which encapsulates the collective aspirations of a society that cherishes family and relationships, embraces diversity, upholds human rights, respects nature and values cooperation.

71. This vision will be realized through the elaboration of choices, processes and decisions under the following seven guiding principles, deemed paramount within the context of the Philippines:

1. *Ecological integrity and carrying capacity.* Sustainable development shall acknowledge nature as a finite and vulnerable resource, as well as a common heritage. It shall respect its integrity and limited carrying capacity in the pursuit of economic and human development so as to ensure the perpetuation of its productivity, not only for current, but for future generations.

2. *Strong macroeconomic fundamentals.* Sustainable development shall uphold strong macroeconomic fundamentals, characterized by sound fiscal, monetary and financial environments and a robust external position. Sound fiscal management shall generate the public revenues needed to provide basic

social services for human development and quality infrastructure, both of which exert a pull on investment for capital formation.

3. *Respect for human rights and social equity.* Sustainable development shall be grounded in respect for the inalienable fundamental rights of every person, pursuit of the fulfilment of basic needs, full participation in the life of the community, and fair access to livelihood and resources.

4. *Peace, order and security.* Sustainable development shall ensure the right of all to a peaceful and secure existence by promoting harmonious relationships through sociopolitical stability within the country and territorial integrity among neighbouring countries.

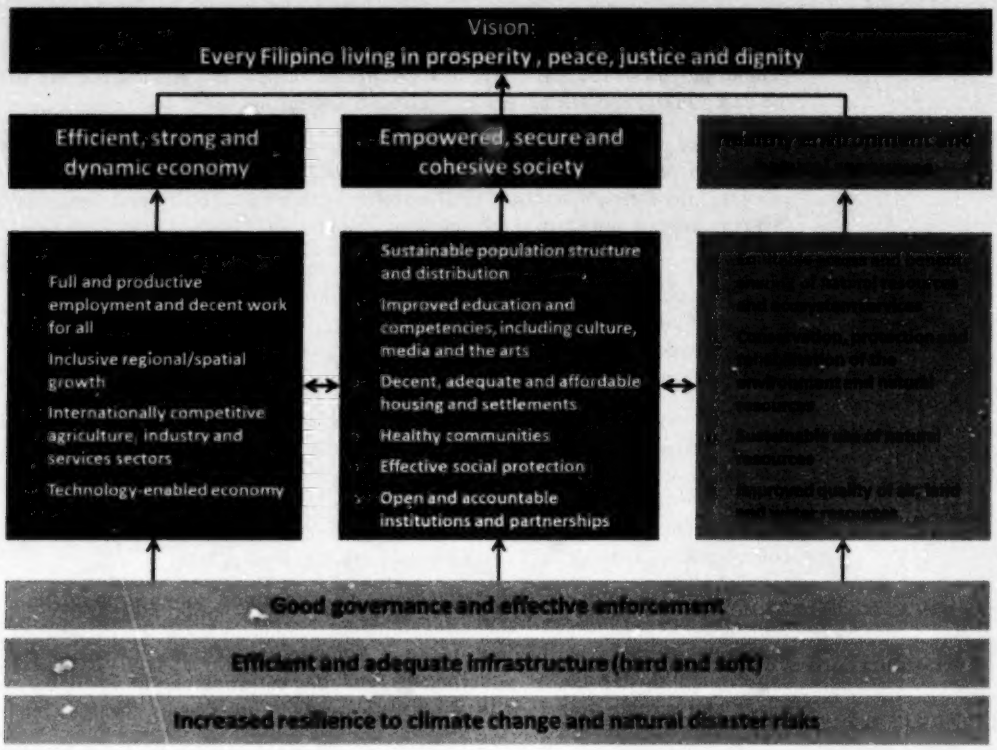
5. *Shared responsibility.* Sustainable development shall be a shared, collective and indivisible responsibility. Institutional structures and processes shall be built around the spirit of solidarity, convergence and partnership between and among key development actors, Governments, businesses, civil society organizations and international development organizations.

6. *Cultural and religious sensitivity.* Sustainable development shall respect the cultural diversity, moral norms and spiritual essence of the various ethnic groups in efforts towards building a cohesive, peaceful and just society grounded in human rights. This is all the more significant as the Philippines is characterized by multiple ethnicities, cultures and religions, with more than 100 ethno-linguistic groups spread throughout the archipelago.

7. *Stable population.* Understanding the dynamics among population, resources, environment and development shall underpin sustainable development policy and action planning. A stable population shall ensure the capacity of the economy, governments and the environment to fulfil basic needs and sustain transformative shifts towards a prosperous, healthy, and sustainable future.

72. Guided by these seven principles, the proposed sustainable development framework is anchored by three national development goals associated with the mutually reinforcing pillars of sustainable development: economic growth, social development and environmental stability. It upholds the integration of environment, social and economic concerns at all levels of the planning and implementation processes for the fulfilment of basic needs, improvement of living standards, and protection of the environment and natural resources for an equitable, prosperous and safe future for all Filipinos.

Figure IV
**Proposed sustainable development framework**




73. To realize the overarching vision, the following major goals are being pursued:

1. An efficient, strong and dynamic economy, with four major objectives:

(a) Full and productive employment and decent work for all;[12]

(b) Inclusive regional/spatial growth;

(c) Internationally competitive agriculture, industry and services sectors;

(d) A technology-enabled economy.

2. An empowered, secure and cohesive society, with six major objectives:

(a) Sustainable population structure and distribution;

(b) Improved education and competencies, including culture, media and the arts;

(c) Decent, adequate and affordable housing and settlements;

[12] Defined by the International Labour Organization as a level of employment where all those available, able and actively seeking work can obtain it.

(d) Healthy communities;

(e) Effective social protection;

(f) Open and accountable institutions and partnerships.

3. A healthy environment and natural resources, with four objectives:

(a) Equitable access to and benefit sharing of natural resources and ecosystem services;

(b) Conservation, protection and rehabilitation of environment and natural resources;

(c) Sustainable use of natural resources;

(d) Improved quality of air, land and water resources.

74. Critical cross-cutting concerns that reinforce the foundation for the achievement of the three goals include (a) good governance and effective enforcement, (b) efficient and adequate hard and soft infrastructure and (c) increasing resilience to climate change and natural disaster risks.

75. Backstopping all of the components will be an effective monitoring and evaluation system, which was a fundamental omission in the Philippines Agenda 21. The sustainable development framework will chart medium- to long-term strategies for advancing sustainable development into the future while recognizing past shortcomings.

76. To implement the sustainable development framework, a three-phase progressive implementation plan, spanning the 30 years from 2016 to 2046, is proposed, covering short-, medium- and long-term strategies and targets aimed at realizing the vision.

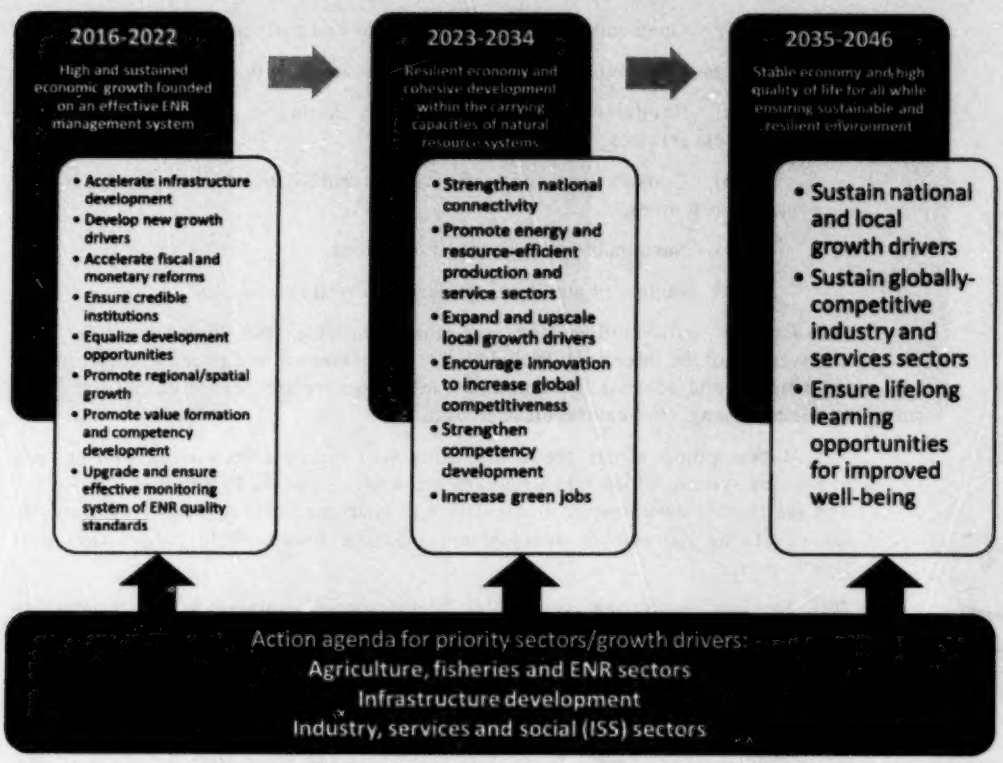
77. The first phase (2016-2022), which will guide the next administration's medium-term development plan, is targeted towards sustaining the gains of the current administration, with an effective environment and natural resources management system in place. Eight strategic directions are identified, as shown in figure V.

78. The second phase (2023-2034) will encompass a move towards a resilient economy with cohesive development, including mindfulness of the carrying capacity of the natural resources system. At least six strategic directions will support this phase, which either expand or strengthen the strategies of the first phase.

79. The third phase (2035-2046) will build on the gains of the previous two phases, including the envisagement of a stable economy which provides a high quality of life for all Filipinos, while ensuring a sustainable and resilient environment.

80. It is to be noted, however, that the strategies identified in the three stages are still indicative until such time as the development scenario in this period is identified, taking into consideration existing policies; programmes, activities and projects; and resources. An action agenda per sector will also be developed, taking into consideration existing thematic and spatial plans, policies, programmes and projects, and guided by the development scenario.

**Figure V**
**Proposed implementation phases and strategies**




81. The sustainable development framework and its various components will be enriched through consultations with key stakeholders at various stages. It shall necessarily evolve over time so as to incorporate new acquired knowledge, emerging realities and evolving challenges. The objectives and strategic priorities will be further amplified or refined, as the sustainable development framework undergoes multisectoral validation across the country, as warranted by the results of future monitoring and evaluation.

82. The approval of the sustainable development framework shall be followed by the formulation of a detailed action plan, which is to be broad-based, invoking the sustainable development principle of multi-stakeholder participation and consensus-building. The development goals, priority objectives and strategic initiatives under the sustainable development framework will become the bases for the identification of targets and indicators during the action-planning phase. The targets will have clear-cut time-horizons, with measureable indicators to ensure accountability of results. Because of the long-term time frame, key milestones will be established at specific periods to indicate progress in realizing the sustainable development vision.

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## Letter dated 9 April 2015 from the Permanent Representative of Mongolia to the United Nations addressed to the President of the Economic and Social Council

I have the honour to transmit herewith the national report of Mongolia on progress towards the achievement of the internationally agreed goals, including the Millennium Development Goals, prepared for the annual ministerial review to be held during the high-level segment of the 2015 session of the Economic and Social Council (see annex).

I should be grateful if you would circulate the present letter and its annex as a document of the Council, under agenda item 5 (c).

(*Signed*) Od **Och**
Chargé d'affaires a.i.
Permanent Representative of Mongolia
to the United Nations

15-05719 (E) 060515

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**Annex to the letter dated 9 April 2015 from the Permanent Representative of Mongolia to the United Nations addressed to the President of the Economic and Social Council**


## Executive summary

1. Following the Sustainable Development Programme endorsed at the United Nations Conference on Environment and Development held in 1992 in Rio de Janeiro, Brazil, Mongolia developed the Sustainable Development Action Programme of Mongolia for the 21st Century (MAP 21). Since 2000, the Programme has produced a number of development strategy documents and made considerable progress in allocating economic resources based on development priorities; formulating policies of economic, human and regional development; reaching consensus regarding the importance of development planning; and strengthening methodology and human capacity in related areas.

2. During the first decade of transition to market economy in the 1990s, however, Mongolia had to undertake macroeconomic stabilization policies and structural adjustment reforms; during those years, necessary resources, institutional arrangements and the legal environment for development policy planning and implementation were lacking. With the country's accession to the World Trade Organization in 1997, Government policies focused mainly on the further introduction of market economy principles, economic liberalization and the stabilizing of fiscal imbalances, leaving little room for the formulation and implementation of development strategies and pursuing human development and sustainable development policies.

3. After 1999, Mongolia experienced major natural disasters such as *dzud*, a severe winter resulting in the death of a large number of livestock, leading to widespread poverty and unemployment. It became clear that macroeconomic stability and economic growth alone could not resolve the emerging social problems. The Millennium Declaration and eight Millennium Development Goals to be achieved by 2015, which were endorsed by leaders of 189 Member States in 2000, played a decisive role in the formulation and implementation of long- and medium-term national development policy and strategy, the establishment of economic development planning and development policy mechanisms and the development of monitoring and evaluation systems in Mongolia. In 2005, the State Great Khural (Parliament) of Mongolia endorsed the Mongolian Millennium Development Goals and added a ninth goal on "Strengthening human rights and fostering democratic governance". The Goal targets and indicators were revised and approved by the State Great Khural decree No. 13 in 2008.

4. Based on those policies, Mongolia incorporated the Millennium Development Goals into the Economic Growth and Poverty Reduction Strategy for the first time in 2003, produced the first National Progress Report on Millennium Development Goal achievements in 2004, intensified efforts to formulate long-term national policies similar to many other United Nations Member States and, by passing State Great Khural resolution No. 12 in 2008, started implementing its first long-term development policy, entitled "The Millennium Development Goals-based Comprehensive National Development Strategy 2008-2021".

5. Mongolia has made significant progress in the implementation of the Comprehensive National Development Strategy and the Millennium Development Goals. The Mongolian economy has experienced steadfast growth for the past 14 years. While the average annual gross domestic product growth in 2000-2005 stood at 5.6 per cent, in 2005-2010 it increased to 6.7 per cent and further accelerated to 10.7 per cent in 2010-2014. As a result, according to the World Bank estimate, gross national income per capita reached $3,770 in 2013, and Mongolia is no longer classified as a low-income country. Mongolia joined the rankings of lower-middle income countries in 2008, which has been a major step forward for the country.

6. Mongolia has successfully met the Millennium Development Goals to reduce child mortality, improve maternal health, combat HIV and AIDS and to develop new information and communications technologies and build an information society. There has been significant progress made in promoting gender equality and increasing women's participation in politics and decision-making.

7. As a result of efforts to adopt the ninth goal, "Strengthening human rights and fostering democratic governance", Mongolia made notable progress in the areas of transparency of governance and citizens' participation, and in combating and reducing corruption. According to the international organization Transparency International, Mongolia had been ranked 120th in perception of corruption in 2011, but advanced to 80th out of 174 in 2014.

8. Although Mongolia could not halve poverty, it succeeded in reducing it by one third: the poverty rate was reduced to 27.4 per cent, or by 11 percentage points, in 2012 from 36.3 per cent in 1995. The large reduction in poverty can be viewed as a result of the policies taken by the Government of Mongolia. The country's human development index was 0.698 in 2013, which classifies it as a medium development category country and ranks it at 103 out of 108 countries. While the average human development index of Asia-Pacific countries is 0.614, Mongolia scores higher than other countries in the region at a similar development stage.

9. However, some important issues have been overlooked and deficiencies and constraints continue to exist despite the considerable progress achieved by Mongolia to improve development planning and to incorporate global development agendas into national policies. The key issue is the lack of an adequate legal environment for development planning. It is crucial to determine achievable development goals based on modern development planning methodologies and development trends without being caught in an election cycle; to increase the number and capacity of officers in charge of monitoring and evaluating strategic planning; to develop and apply proper procedures, guidelines and manuals for the formulation of long-term objectives, sector policies and the development of a medium-term strategy; and to align the ideology and principles of political forces and parties with a development policy framework.

10. Mongolia would be able to contribute to global sustainable development by strengthening the central Government institutions responsible for the development agenda in order to align the strategies of political parties and development policy options with development policy objectives; establishing a proper development policy planning system with research-based long-term development visions for the country, medium-term Government action plans based on long-term development visions and short-term policies and budgets aimed at achieving long-term strategic goals; and by successfully applying global sustainable development principles to the three national development pillars in social, environmental and economic policy areas.

11. Development cooperation will play a significant and unique role in supporting the implementation of the post-2015 development agenda. Mongolia supports a renewed global partnership that looks to the future of development cooperation. Areas for international support will be directed to accelerate capacity-building for greater policy integration and coherence for sustainable policy paths and effectively address highly complex trade-offs between the three dimensions of sustainable development. Systems for monitoring and evaluation need to be further strengthened to measure the performances of Government policies, programmes and projects in pursuit of sustainable development goals that potentially will contribute to results-based sound governance.

12. The present national report identifies progress and achievements made and problems and challenges encountered in the implementation of the national development goals and challenges. The national report also discusses the factors affecting the successful implementation of the national development strategy and lessons learned. It also briefly touches upon the possibility of reflecting the country's successful experience in policies, projects and programmes in other countries.

## Sustainable development policy and strategy of Mongolia: current status

### Development policies during the transition period

13. Mongolia has persistently pursued the alignment of its development goals with market economy principles since its transition to a market economy. Major policy documents outlining the country's development goals have been developed since that time. For instance, "The Development Concept for Mongolia" (1996), "The Master Plan for Mongolia's Population Settlement and Development" (1996), "The Sustainable Development Action Programme of Mongolia for the 21st Century (MAP 21)" (1998), "Mongolia's Regional Development Concept" (2001), "Pole Cities for Regional Development" (2003), "The Economic Growth and Poverty Reduction Strategy" (2003) and other policy documents were adopted and implemented. There has been some progress and successes in the allocation of resources to priority areas under market economy principles, in reaching common understanding and developing policies for human development and for regional and economic development and in strengthening relevant methodology and human capacities. However, the policy documents encountered many challenges in their implementation and they failed to serve as a foundation for the Government action programmes or to be fully implemented for a number of reasons described below.

14. While Mongolia was continuously working to pursue development planning and optimal allocation of economic resources in the long, medium and short term, the United Nations Conference on Environment and Development held in 1992 in Rio de Janeiro, Brazil, served as a major impetus to place them at the centre of policy attention during the transition period. The sustainable development programme approved at the Rio de Janeiro conference contains 59 targets, including 17 social development targets, 13 environmental targets, 15 economic targets and 14 implementation targets. In line with that programme, Mongolia adopted those targets within national policies and developed MAP 21.

15. MAP 21 was an influential document in laying down foundations for development planning. MAP 21 formulated national development policies based on the principles of environmental protection and reliance on national resources for the first time. However, the sustainable development concept didn't fit well with the economic situation and economic policy priorities of the period. At the time of adoption of MAP 21, the Mongolian economy was still in the middle of a transition crisis; in addition, budget revenue fell sharply as a result of the 1997-1998 Asian financial crisis and the falling price of copper, the main export commodity of Mongolia, on international markets.

16. With the transition to a market economy not yet complete, the nation's economic policy focused more on the further introduction of market principles rather than development priorities. Needs for fiscal stabilization caused severe resource constraints and lack of investment available for development priorities. With the country's accession to the World Trade Organization in 1997 right before the Asian crisis, market economy-based trade liberalization and price liberalization policies were high on its development agenda. Implementation of the sustainable development policy adopted in 1998 became protracted as a result of the transition, the Asian economic crisis and the conflict of the transition objectives with overall macroeconomic policy coordination.

17. However, social problems of the period proved the importance of development policy and planning. During the first five years of the transition to a market economy (1990-1995), Mongolia confronted a completely new social and economic phenomenon: poverty. A household social and economic survey conducted by the National Statistical Office in 1995 found that 36.3 per cent of the population was poor. At a time of widespread poverty and unemployment, natural disasters struck. As a result of the *dzuds* of 1999 and 2000, output of the agriculture sector, which accounted for 33 per cent of the gross domestic product (GDP), fell by 16.8 per cent, increasing poverty even further. The overall economy experienced grave difficulties; the national average monthly household income in urban areas stood at Tog 82,0000 and in rural areas at Tog 72,000, equivalent to $60 or $50. Social issues came to the fore, migration to urban areas from rural areas started and ecological problems worsened, though they were not as severe as the social problems.

18. Development policy formulation was launched prior to 2000. However, at the top of the agenda was addressing the absence of integrated national development policy and strategy implementation, monitoring and evaluation systems. Next was creating structural programmes established with international financial institutions designed to restore macroeconomic stability and to reduce fiscal deficits rather than to allocate budget resources to development priorities. Attention to social sector and environmental issues was severely constrained by a lack of resources for poverty reduction and social infrastructure. Despite limited opportunities for adequate development planning owing to the ongoing economic transition, the Asian financial crisis, macroeconomic instability and structural deficiencies, the social situation itself required improvement in order to proceed with economic development planning.

**Adoption of Millennium Development Goals as development policy foundation guidance**

19. In September 2000, leaders of 189 United Nations Member States endorsed the Millennium Declaration and adopted eight Millennium Development Goals with the object of achieving them by 2015, and the State Great Khural endorsed the Mongolian Millennium Development Goals in 2005. Mongolia also has its own, ninth goal on "Strengthening human rights and fostering democratic governance", which is devoted to democratic governance and human rights, unique to the country. The Millennium Development Goal targets and indicators were revised and approved by the State Great Khural decree No. 13 in 2008.

20. Adoption of the Millennium Development Goals was an important step in developing long- and medium-term national development policy and strategies for Mongolia when it was experiencing transition, and served as a strong motivator for establishing appropriate implementation mechanisms as well as monitoring and evaluation systems. Mongolia was strongly committed to overcoming its economic problems, paying special attention to human development and addressing economic and social planning deficiencies, and including for the first time Millennium Development Goals as development objectives in the 2003 Economic Growth and Poverty Reduction Strategy, and produced the first progress report on the implementation of the Goals in 2004. Afterwards, Mongolia intensified its efforts in long-term national policy development similar to other United Nations Member States and the Goals-based Comprehensive National Development Strategy up to

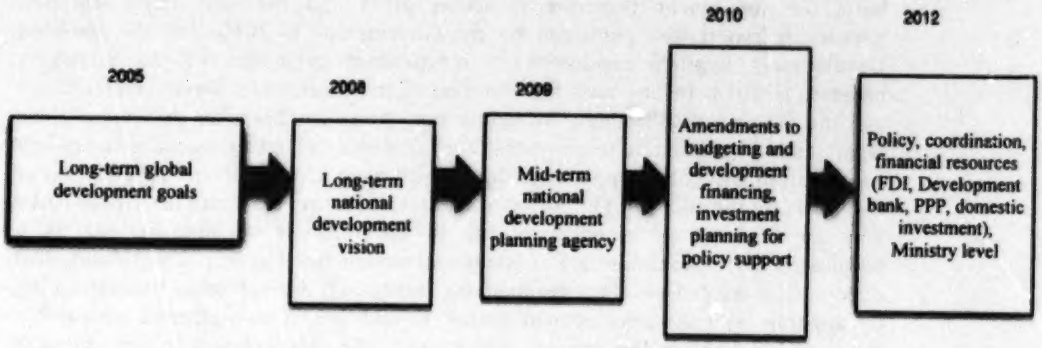
2021 was adopted by the State Great Khural's decree No. 12 in 2008 and consequently implemented.

21. The Goals-based Comprehensive National Development Strategy became a basis for subsequent Government action plans and the first implementation monitoring report was published by the Government in 2010, and the National Development Institute conducted an independent evaluation of the Strategy's progress in 2014. In line with the adoption of the Millennium Development Goals and the Goals-based Strategy, Mongolia put strong emphasis on putting in place legal and institutional frameworks for strategic planning, economic policy coordination and policy implementation, which were lacking before the adoption of the Goals by the country. The Millennium Development Goals and the Goals-based Strategy have played a decisive role in development strategy, serving as a foundation for Government action plans and annual fiscal policy. The Government of Mongolia created development planning institutions and reformed fiscal planning by aligning with the development policy. In addition, it strengthened partnership frameworks, linking the private sector with the development policy through concession agreements and establishing a specialized Development Bank of Mongolia to mobilize new development financing sources in addition to budget resources.

22. The Government of Mongolia established relevant institutions in charge of the Comprehensive National Development Strategy immediately after its adoption and established the Development Bank of Mongolia in 2011 to finance major development projects in the long-term, introduced a new financing mechanism for development financing as a public-private partnership (the Concession Law approved in 2011), adopted a medium-term public investment programme document, revised the budget laws to create an integrated budget law to reflect strategic development priorities and adopted a local development index for better intergovernmental allocation. Furthermore, a law on innovation was adopted to diversify the economy as an important objective of the development planning, and the law has helped to link economic resource allocation with technique and technology development. A draft law on development policy and planning designed to become the main law to reinstate development policy and planning nationwide was considered by the Government and has been submitted to the Parliament. Currently, the fifth national report on implementation of the Millennium Development Goals in Mongolia is being produced and a new vision document is planned to be developed in line with the post-2015 development agenda. One of the major achievements and results of the implementation of the Millennium Development Goals in Mongolia is the establishment of the development policy framework and putting the development planning at the centre of economic policy.

23. As part of the implementation of Goals-based Strategy, the Government of Mongolia developed "The New Midterm Development Programme", which was approved by the State Great Khural in June 2010. Mongolia integrated a full set of national development goals into global development goals. In order to manage implementation in the light of the Millennium Development Goals and the Goals-based Strategy, the Government of Mongolia renewed its focus on the improvement of strategic planning, economic policy coordination and development policy planning, which was very limited prior to approval of the Millennium Development Goals (see figure 1).

Figure 1
**Evolution of development policy and planning system**




*Source*: Government of Mongolia, 2005-2014.

24. The Millennium Development Goals served as major incentives for the development of economic and social policy and their implementation and financing, the establishment of policy outcome monitoring and evaluation systems and the expansion of capacity-strengthening activities.

25. Therefore, with the implementation of the Comprehensive National Development Strategy the Government of Mongolia has given considerable attention to functions such as development strategy planning, linking it with public financing, planning and monitoring outcomes and with the systematic collection of development statistical data and information, which were overlooked before the adoption of the Millennium Development Goals. The public acknowledges the importance of the functions and policymakers focused their efforts on further strengthening the framework. The progress and achievements can be classified as Government structural reform, financial system improvement, framework expansion, strengthened monitoring and evaluation systems and statistical system improvement.

**Adjustment of Government structure for development planning**

26. The Government of Mongolia created independent Government institutions responsible for development planning, created development-oriented financial institutions for development and amended the budgeting programming to give priority to financing for development goals. Several Government organizations were charged with development planning for the period 1990-2014.

27. Prior to 2008, development policy formulation and strategic planning fell under the duties and functions of the Ministry of Finance; later, that task was transferred to a new agency, the National Development and Innovation Committee, established in 2009 under the Prime Minister. The Government created an institution responsible for economic policy, planning and development financing in 2012 and embarked on major reforms to reflect development objectives in the national budget and public financing framework, economic diversification and the provision of guidelines for policy formulation. Measures were accelerated in human resource

planning and capacity development, strengthening policy formulation and results-based monitoring and evaluation.

28. As a result of undertaking such reforms, midterm development strategy has been improved in terms of content. Annual Government plans or economic and social development guidelines that have been in place since 1992 were considered short-term planning documents. In 2005, Millennium Development Goals were embedded as a specific target under the umbrella of the Millennium Declaration in Health Sector Policy, and in 2006 they were embedded in poverty reduction objectives in the guidelines. Since 2007, embedding Millennium Development Goals into the annual guidelines has become the usual practice.

29. Regarding medium-term planning, the Government action plan serves as a medium-term policy document. The Government Action Plan for 2008-2012 was developed in line with the Goals-based Comprehensive National Development Strategy, draft medium-term priority issues for 2012-2016 were formulated and considered by the Government in 2012 and a medium-term public investment program was adopted at the Government level in 2012. After the 2012 parliamentary elections, changes to policy formulation and planning systems were made and Government structures and institutional arrangements for the planning and implementation of policy and strategy were aligned with the Millennium Development Goals of Mongolia, and its sustainable development objectives were set up with establishment of central Government institutions responsible for economic, environmental and green development. The Ministry of Labour is responsible for the promotion of employment and the reduction of poverty. To facilitate infrastructure development, the Ministries of Energy, Road and Transportation and Construction and Urban Development were also established accordingly.

**Impacts of Millennium Development Goals on the financial system and financial cooperation for development**

30. There were significant improvements made in integrating budget planning into the development policy. The main improvement is the linkage between budget planning and the development objectives. The 2012 Integrated Budget Law of Mongolia stipulates terms and definitions of the public investment programme as one of the main components of the development policy. While in 2006 Parliament stated in its resolutions: "Ensuring implementation of Economic and Social Development Action Mongolia for the Year of 2007 by providing financing sources under the framework of the Budget Law", that phrase was changed in 2013 to: "Prepare draft budget on the basis of the Economic and Social Development 2013 Action Plan and submit it" to the State Great Khural. The latter statement clearly illustrates that the State budget has started to build upon on the Action Plan on development policy and plans. The resolution states that implementation of the 2013 Action Plan should be closely tied to the Goals-based Comprehensive National Development Strategy and other policy documents that incorporate the emerging principles approach of integrating short-, medium- and long-term development policy, financing and institutions. Furthermore, the medium-term fiscal framework and annual guidelines are adopted by the State Great Khural at its spring session and on the basis of those the annual general and central Government budgets are developed.

31. The Government established the Development Bank of Mongolia as a major financial institution to support economic development. Investment made by the Development Bank in 2013 exceeded the public investment from the central Government budget, demonstrating that the Development Bank is the main financial source for development programmes.

32. In addition, the Concession Law was adopted in 2010, creating opportunities for mobilizing private investment in the implementation of development objectives. Currently, major projects in Mongolia, for instance, power stations, local paved roads and railway projects, are planned to be financed under concessions agreements.

33. As can be seen, Mongolia has established a new financing arrangement and has considerably increased development financing. Budget expenditures in education and social welfare rose by 18.1 per cent and 22.8 per cent, respectively, in 2006-2012, in comparison with the six years immediately following the adoption of the Millennium Development Goals. Budget expenditures in education, health and social welfare account for 49.6 per cent of total central Government budget expenditures.

34. In addition, the Government of Mongolia expanded the development financing framework within the financial system and established new international cooperation frameworks and arrangements. The major achievement is a significant increase in financing by mobilizing foreign investment and investing in major development projects, including national private investment, aid and foreign direct investment. Average annual national and foreign investment growth was about 20 per cent in 1999-2005, and average annual growth of foreign direct investment and aid increased to 54.1 per cent in 2006-2012 after the adoption of development objectives. During the same period, national investment was multiplied by 7.6, while investment from foreign financing was multiplied by 10.2.

35. Mongolia closely cooperated with international organization and donor countries, made considerable investments in development and received a $910.6 million concessional loan for 2006-2012. The loan was spent on the implementation of the Millennium Development Goals and on the Comprehensive National Development Strategy. Mongolia also strengthened economic cooperation with many countries and received and spent $848.9 million in grants from donor countries on many development programmes.

36. Mongolia implemented 429 projects under overall aid programmes for 2006-2012, and the number of projects and programmes under the foreign aid programme was multiplied by 2.4 and their implementation was sped up. The number of new projects and programmes in education, health, social welfare, poverty reduction, gender, infrastructure, governance and environment was multiplied by 2 to 6 times for the period in comparison with the previous six years. With the establishment of the Development Bank, Mongolia raised $2.4 billion on commercial terms from international financial markets and the Oyu Tolgoi project alone attracted $6.4 billion in foreign direct investment. Mongolia succeeded in significantly increasing development financing and international partnerships, and cooperation played an important role.

37. It is a major sign of progress that the audit by the National Audit Office on development policy, financing, implementation and results, was presented to and

endorsed by the State Great Khural. For instance, the 2012 audit report states that the audit was conducted within the mandate of the National Audit Office, defined in the Auditing Law and based on State Great Khural resolution No. 34 of 2011 and the 2013 procurement plan of the National Audit Office to the Auditor General of Mongolia. The purpose of the audit was to review, reach conclusions and make recommendations on the implementation of the 2012 economic and social development guidelines of Mongolia, to present them to relevant authorities and officials and to publish them for the public.

38. Another major achievement is the evaluation of the Comprehensive National Development Strategy implementation in 2010 and 2014 and the presentation of relevant reports, in addition to the monitoring and evaluation of short-term policy implementation. One could conclude that the institutional arrangements for planning have been successfully set up, financing sources have been secured and monitoring and evaluation systems and relevant legal environment have been created.

**Impacts of Millennium Development Goals on development objective monitoring and statistical systems**

39. Since 2010, the Government has taken considerable steps to improve its monitoring and evaluation system by transitioning into a results-based system that could be considered an indirect effect of the application of the Millennium Development Goals-based monitoring and evaluation system. It should be noted that the transition is at a very early stage of its development. The results-based monitoring and evaluation system requires consistent application of all stages of the monitoring and evaluation system starting from its "preparatory evaluation". The most important criterion for success is the consistent application of all steps and related procedures. The system requires sustainability, which is the main challenge for adaptation.

40. To further support the introduction of the results-based monitoring and evaluation system, the Cabinet Secretariat drafted a law on Government monitoring and evaluation, though it has now been merged into the draft of the law on development and planning. The most recent Government intervention was Government resolution No. 322 of 2013 on "General regulation for monitoring and evaluation of Government agencies". The resolution assigned the Ministries and agencies at the central and local levels to develop and adapt the monitoring and evaluation systems and methodology applicable to their sector, industry or locality. The Millennium Development Goals have played an important role in creating the national results-based monitoring and evaluation system and strengthening capacity.

41. The Millennium Development Goals have played a critical role in the establishment of a socioeconomic indicator database and in the development of data services. Improvement in data collection and methodology helps not only the evaluation of the Millennium Development Goals but also helps policymakers in the monitoring and evaluation of national and sector policies and strategic results.

42. In the field of national statistics sector development, a new law mandating a national census on population housing was approved in 2008. Methodology to calculate a human development index was approved that resulted in having a unified methodology allowing relevant economic institutions to consistently use human development indicators for reporting.

43. The National Statistical Office developed the country's Millennium Development Goals in line with the international Goals and included 48 indicators, published them in a 2006 statistical yearbook and made that available to public. In 2008, the National Statistical Office expanded its Goals to 24 targets and 67 monitoring indicators.

44. A pilot project to support the National Poverty and Millennium Development Goals Monitoring and Assessment System was implemented by the Government of Mongolia and the United Nations Development Programme; the nationwide Millennium Development Goals Monitoring and Evaluation system was created, and an associated database for routine statistical data collected by the statistical and line agencies was established. Out of 64 monitoring indicators included in the Goals database, 20 indicators are collected through statistical surveys and censuses, and the remaining 44 indicators are compiled from the administrative data records of the Ministries and agencies. Foundations for the web-based data system was established by order of the Chair of the National Statistical Office in 2009 as DevInfo version 5, and the roles and responsibilities of the relevant parties regarding database compilation, update and use were defined. The appointment of a person in charge of the Goals database in the National Statistical Office has played a significant role in advancing the monitoring and evaluation system.

## Implementation of development policy in Mongolia, its achievements, challenges and constraints

### Development policy implementation

45. Despite significant progress towards development policy formulation, financing and monitoring and evaluation, the country faces challenges due to an inadequate legal environment and lack of experience. It is of the utmost importance to identify the factors affecting the successful implementation of the Comprehensive National Development Strategy and the challenges encountered when the country is about to embark on the implementation of global goals.

46. Implementation of the two main development policy documents of Mongolia, the Millennium Development Goals and the Goals-based Comprehensive National Development Strategy, is reviewed in the present report. The Government of Mongolia reports on annual implementation of the Strategy to the State Great Khural. The 2014 evaluation report on the Strategy implementation concludes that few objectives were fully met and many challenges were encountered between 2008 and 2014. Since it is the first long-term development policy of Mongolia, it is important to consider the following lessons learned:

- The Strategy included "wish list" items or objectives;
- Medium- and short-term development policy documents such as Government action plans, annual socioeconomic development guidelines and sectoral and intersectoral development policy documents have not been fully coordinated and made coherent with the Strategy;
- The Strategy implementation coordination between the Ministries was inadequate and some intersectoral objectives were left out or overlooked, which adversely affected their implementation;

- Election platforms of political parties have not been aligned with Strategy objectives.

47. Despite those setbacks, overall Mongolia has made considerable progress during the implementation of the Strategy and the Millennium Development Goals. The Mongolian economy has grown rapidly for the last 14 years. Average annual GDP growth for 2000-2005 was 5.6 per cent, for 2005-2010 it increased to 6.4 per cent and it further accelerated to 12.2 per cent for 2010-2014. As a result, according to the World Bank estimate, gross national income per capita reached $3,770 and the country is no longer classified as a low-income country based on its GDP per capita (data available from http://data.worldbank.org/indicator/NY.GDP.PCAP.CD). Based on the World Bank estimate, Mongolia left the ranks of low-income countries and joined the lower-middle income countries in 2008, in a significant step forward.

48. Although economic growth has been strong and the economy has expanded, poverty has not been reduced and the negative outcomes of a persistent unemployment rate, widening income inequality and other adverse outcomes have been observed. They indicate that economic growth has not been inclusive enough. The ratio between the consumption of the richest 20 per cent and the poorest 20 per cent was 5.5 in 1995 and increased to 6.2 in 2012. Currently, increasing the inclusiveness of economic growth is the most pressing issue, and shows that it is necessary to pay attention and take action to improve social development in general and increase the inclusiveness of economic growth in particular for target groups.

49. Goals to reduce child mortality, improve maternal health, combat HIV/AIDS and develop new information and communications technologies and build an information society have already been achieved in Mongolia. There has been significant progress made in promoting gender equality and increasing women's participation in politics and decision-making.

50. Actions taken to improve maternal health had good results. For instance, legal documents, strategies, guidelines and manuals for medical services for women and obstetricians were formulated and enacted, a registration and information system for maternal mortality was established and a system to provide medical treatment and transfer pregnant women with high risks and multiple diseases to third-level clinics was put in place. Reducing the maternal mortality rate has been a national priority objective, and indicators to monitor that objective, including the performance of *aimag* (administrative subdivision) governor offices and Government organizations and raising awareness on women's health at the national and local levels, have been increased to achieve results. Furthermore, assistance and support from the World Health Organization, United Nations organizations and other international organizations has been well-directed and reached the target groups, resulting in a significant impact.

51. Mongolia adopted the ninth goal, "Strengthen human rights and foster democratic governance", and has made strong progress in the areas of ensuring the transparency of governance and citizens' participation and combating and reducing corruption. According to the corruption perception index of Transparency International, Mongolia ranked 120th in 2011; in 2014 it ranked 80th out of 174 countries, which is notable progress.

52. Although Mongolia couldn't halve its poverty rate, it succeeded at reducing it by one third. The poverty rate in Mongolia stood at 36.3 per cent in 1995 and

further increased to 38.7 per cent in 2010, but declined to 27.4 per cent in 2012. The reduction is attributable to the successful implementation of the targeted social policy by the State Great Khural and the Government of Mongolia.

53. Mongolia's human development index was 0.698 in 2013, which classifies it as a medium development category country and puts it at 103rd out of 187 countries. The average human development index of countries in the Asia-Pacific region is 0.614, and Mongolia scores higher than other countries at a similar development stage.[1]

54. Although there has been progress made, there are still development targets lagging behind. Goals to halve the poverty rate, reduce the youth unemployment rate, reduce the prevalence of tuberculosis and protect the environment, especially with regard to reducing air pollution in urban settlements such as Ulaanbaatar, have not been achieved.

55. There are difficulties in evaluating the implementation of some goals without clear targets. Moreover, evaluation and review of some goals is hindered by incomplete data and methodology issues; it is a good lesson for future implementation.

56. The Government produced its fifth national report on progress towards achieving the Millennium Development Goals in 2013. The draft report was discussed at a meeting of the subcommittee dealing with the Millennium Development Goals and poverty reduction issues, under the standing committee of the Parliament dealing with social policy, education, culture and science issues. The subcommittee asked the Government to intensify the implementation of Millennium Development Goals. The fifth report discusses in great detail the progress made and the challenges faced.

**Problems, challenges and lessons learned**

57. The decade of 1990-2000 was the most daunting time of the transition period, and high unemployment, poverty and hyper-inflation had adverse effects on the livelihoods of the people, affecting the achievement of the Millennium Development Goal to reduce poverty. In addition, the weak economic structure of the country, the high share of the livestock sector of the economy dependent upon the environment and weather and the underdeveloped processing industry and infrastructure have been barriers to productive employment. For instance, the drought and the *dzud* that occurred in 2000-2001 and 2009-2010 brought huge losses to the livestock sector, resulting in the loss of livestock and livelihoods of thousands of herders and an increase in the poverty rate. More than 10 million head of livestock were lost in the 2000-2001 disaster and the production of the livestock sector declined more than 20 per cent. Furthermore, the global economic and financial crisis in 2007-2009 hit Mongolia hard and GDP decreased by 1.3 per cent in 2009. Due to the rapid development of the mining sector in recent years, Mongolia grew more reliant on mining and therefore vulnerable to the fluctuation of global mineral prices.

[1] The Mongolian human development index for 2013 is 0.698. However, when the value is adjusted for inequality, the index falls to 0.618, a loss of 11.5 per cent due to inequality in the distribution of the dimension indices. The gender inequality index reflects gender-based inequalities in three dimensions: reproductive health, empowerment and economic activity. Mongolia has a gender inequality index value of 0.320, ranking it 54th out of 149 countries in the 2013 index.

58. Our past experience proves that it is not an easy task for a developing country with an economy in transition to achieve the goal to reduce poverty. The participants in the public consultations emphasized that, in addition to the difficulties and challenges faced during the implementation of the Millennium Development Goals in the past 20 years in Mongolia, responsible and good governance were not yet established, law enforcement was unsatisfactory, existing institutions were weak, crises occurred frequently and inconsistent and incoherent development policies were implemented. The shortages of financial resources and limited engagement of private entities and civil society organizations in achieving the Millennium Development Goals are among many factors affecting the country's accomplishments and failures.

59. Overall, Mongolia has made significant progress in strengthening development policy planning and in coordinating global development trends into its policies, but some critical policy issues have been neglected and difficulties still exist.

60. The crucial issue is the lack of an adequate legal environment for development planning. The following issues deserve serious attention:

- The determination of development priorities after 2015 should be based on modern development planning methodologies, development goals should be achievable and the legal environment for development policy planning in Mongolia should be established and enacted;
- The number and the capacity of officers in charge of the monitoring and evaluation of strategic planning should be increased;
- Guidelines and manuals should be developed and used for formulating long-term targets and sectoral policies, and should include those targets in medium-term strategies;
- Ideology and principles of political forces and parties should be included in the development policy framework;
- The State Great Khural and the Government should pay special attention to the implementation of the long-term policy;
- Government action plans should be formulated based on long-term policies.

61. Special attention should be paid to incorporate strategic objectives into medium- and short-term economic policies. Although significant attention has been paid to a Goals-based long-term Comprehensive National Development Strategy since 2008, the Government action plan goals have not been coordinated well with the Strategy, and only short-term policies have incorporated the long-term Strategy. Because political parties elected for Parliament have a decisive and dominant part in determining medium-term planning based on their election manifestos, it is crucial that those manifestos reflect development targets set by the framework of global partnerships and the national long-term development policy of Mongolia. Weaknesses and gaps create inconsistencies for successor implementers of long-term development policy.

62. The institutions responsible for development agendas should be strengthened. Remarkable progress has been made in establishing an institution in charge of development planning. The Ministry of Finance has been in charge of development planning since the end of 2014. That change in structure brings the country a step

closer to bringing development planning into alignment with financing mechanisms. Development targets set worldwide and sustainable development goals that are very broad, therefore coordinating the development cooperation and partnerships with financing mechanisms will be a necessary condition for achieving the goals.

## National policy during the transition from Millennium Development Goals to sustainable development goals

### Current process to renew the long-term development policy

63. When an adequate legal environment is established for development policy and planning, it will serve as a legal basis to undertake policy document reviews. A draft law on development policy and planning has been submitted to Parliament.

64. A working group has been formed to formulate the long-term development policy of Mongolia by April 2016 by the decree of the Speaker of the Mongolian Parliament. The chair of the political party caucus at the State Great Khural leads the working group, and the technical subworking group is composed of Ministries and Government agencies. The necessity to renew the Comprehensive National Development Strategy enacted in 2008 is related to the transition from the Millennium Development Goals to sustainable development goals. The post-2015 sustainable development goals of Mongolia are set to continue the activities started in the framework of the Millennium Development Goals, to be coherent with the 17 sustainable development goals set by the global partnership and to reflect pressing issues and challenges of the country's development. The results from a series of national consultations on the post-2015 development agenda, organized by the Resident Mission in 2012-2014 and engaging multiple stakeholders, form the basis for the determination of development goals for Mongolia.

65. The contribution of scientific research to improve policy coordination, coherence, consistency and integrated management for achieving the sustainable development goals is being promoted. The National Development Institute of Mongolia is conducting research to provide science-based policy recommendations and know-how on the application of the concept and principles of sustainable development. The Institute has recently completed a comprehensive study aimed at designing a long-term national development policy. The study used an interdisciplinary approach to data collection and analysis. The process of discussing results and findings, as well as the process of informing others regarding updates on the research progress, was organized systematically to adaptively capture feedback and responses generated from multi-stakeholder consultations and discussions.

66. The National Development Institute's proposed draft long-term national development policy covers the period 2016-2040 and defines five priority areas:

- Diversify the economy, enter the international market and use resources efficiently;
- Develop the country's human capital, foster a highly skilled labour force and increase productivity and production capacity;
- Strengthen the quality of Government institutions, policy and regulations;
- Apply modern technologies and innovations in all sectors and create an adaptive capacity to react to climate change;

- Strengthen the middle class, the driving force for development and improve conditions for public health and safety.

**Main priorities for long-term development policy**

67. Long-term development priorities for the three pillars of sustainable development, which include social development, environmental protection and economic development, are defined as follows and are being consulted upon.

**Social development**

68. The long-term objective for social development is currently determined as strengthening the middle class and improving conditions for health and safety of the general public. Although the country's economic growth has been continuously positive in the past 14 years, poverty has not dropped rapidly. Income inequality among the population has widened. Policies aimed at a steady increase of the middle class and reducing income inequality and income gaps among populations shall be considered the foundation for the sustainable social development.

69. The Goals-based Comprehensive National Development Strategy and the priority of the Government, included in the 2012-2016 Government Action Plan, is to form a society where the majority will be the middle-income citizens. That goal will be implemented further. Reducing poverty will be the prerequisite for increasing the middle class. Therefore, within the framework of sustainable development goals proposed by the United Nations, there is a need to align the goal of "promoting sustainable industrialization" with a goal to reduce unemployment by redefining the sustainable development goal to "end poverty in all its forms everywhere" within the local context.

70. Reducing income inequality, income gaps and differences in consumption patterns will require the elimination of gaps in the infrastructure in rural areas, such as access to housing, education and health services and differences in living conditions. That target is relevant to the tenth sustainable development goal to "reduce inequality within and among countries".

71. Within the framework of the sustainable development goal of a healthy population, a third goal was proposed to "ensure healthy lives and promote well-being for all at all ages". Within the context of our country, improving the protection of the population, providing better access to health services and improving the quality of medical services were proposed as Millennium Development Goals, and they will be implemented further. Increasing the average life expectancy, since a specific age can be defined as a target, includes targets to reduce the gap in the average life expectancy of men and of women. Mongolia will propose a target to reduce some significant illnesses that are widespread among its population. For example, the country will propose a target to reduce tuberculosis, which had been included in the Millennium Development Goals, diseases related to the heart and cancer. As for the reduction of tuberculosis, Mongolia would like to continue receiving support from international organizations, because in the case of our country, drug-resistant tuberculosis has become widespread, and the costly treatment of the disease may become a challenging burden on the State budget in upcoming years.

72. Within the framework of social development, a policy is currently being discussed that would set a priority on strengthening the capacity of the Mongolian citizen and building a highly skilled Mongolian workforce. Within the framework of the sustainable development goals on education, the fourth target to "ensure inclusive and equitable quality education and promote lifelong learning opportunities for all" should be fully implemented. Mongolia should focus in particular on improving the quality of education. For example, at the level of university education, it is believed that professional guidelines and academic programmes should be aligned with market demand, and provide the necessary knowledge and skills for youth, which is a priority target. The need to make the targeted social protection system flexible for poor, minority, disabled and vulnerable groups was emphasized during the national consultation.

73. Within the framework of promoting gender equality, domestic violence and human trafficking, which have gained increased attention in Mongolia, should be confronted, and further emphasis is required to protect the rights of girls and women, who are the primary victims of violence.

74. There is a need to abolish the current trend of politicizing the civil service system, to hire skilled professional staff in public institutions regardless of their political affiliations and to reduce corruption at all levels. The pressing social development issue particular to Mongolia is the improvement of the capacity of Government institutions and the quality of policies and regulations.

75. It is crucial to strengthen sectoral coordination and coherence on the basis of an integrated development policy and results-based programme management. Therefore, strategic planning systems, equal and inclusive public sectors and strong accountability systems are required. The evaluation report of the Goals-based Comprehensive National Development Strategy and the fifth national progress report on the Millennium Development Goals in Mongolia states that the main challenges faced in implementing national development policy are weak institutional capacity, insufficient policy coordination, a lack of consistency in public policies, inadequate coordination of sectoral and intersectoral strategies and plans and insufficient synergies and coherence with the national long-term development strategy.

**Sustainable environment**

76. Environmental policy integration should serve as a main operational principle to implement sustainable development. Most of the key development policies adopted after the MAP 21 agenda, such as the Goals-based Comprehensive National Development Strategy, the Regional Development Policy, the Mongolian National Security Concept and the Economic Growth and Poverty Reduction Strategy, fell short of providing an explicit objective to integrate environmental aspects and policy objectives into sector policies and pursue environmental policy integration as a cornerstone for sustainable development.

77. Currently, the country faces some challenges in the operationalization of broad sustainable development concepts, as they are too vaguely perceived and there is a not common understanding of sustainable development concepts across different sectors or at different policymaking levels. The challenges include the coordination of different sector policies to achieve sustainable development and the integration of environmental concerns into existing sets of sector policy processes, organizational

arrangements and power structures. As an effort to address those gaps, the Government made a substantial move by establishing the Ministry of Environment and Green Development in July 2012.

78. The National Policy on Green Development has been developed in line with other national programmes being implemented in the environmental sector, such as national programmes on climate change, water, renewable energy and combating desertification. The National Policy on Green Development could be also considered an important national initiative to integrate environmental aspects and policy objectives into other sector policies, such as energy, industry and agricultural policy. The National Policy on Green Development is an indication of political commitment and leadership for achieving environmental policy integration, but continuous high-level commitment is a prerequisite for transitioning towards the sustainable development goals. Cooperation with international organizations on green economic development has been strong and there is intention to further expand that cooperation. For instance, Mongolia joined the Partnership for Action on Green Economy in 2013 and has cooperated with specialized agencies of the United Nations, including the United Nations Environmental Programme, the United Nations Institute for Training and Research, the International Labour Organization, the United Nations Industrial Development Organization and the United Nations Development Programme. It intends to join the Global Green Growths Institute and to apply the "green" economic model Threshold 21 for policymaking studies.

79. Before 2012, the nature and environmental portfolio was considered to be one of the line Ministries and did not have the authority to influence decision-making and policy formulations of other Ministries. Therefore, for the sake of promoting policy to achieve a balanced integration of the three pillars of sustainable development, it is important to raise the status of the Ministry of Environment and Green Development, develop its capacity to deal with increasing volumes of decisions and have structured contact with other Ministries, and receive support from external actors in green development policy implementation. Moreover, it requires the improvement of coordination and communication processes, budgeting incentives and an increase in analytical and scientific capacity for sustainable development.

**Economic development**

80. The economic development goals include the diversification of the economy, further integration with international markets and the improvement of resource utilization efficiency. During the past decade Mongolia has experienced steady growth in the mining sector and the economy has grown more dependent on exports of copper and coking coal and become more vulnerable to fluctuations in prices on international markets and to the demands of a few countries that make up the primary export markets. The economic diversification has turned into a foundation for development policy. With that development, the mining sector percentage of GDP stood at 20.2 per cent in 2013, up from 12.0 percent in 1995. The mining sector produced 81.3 per cent of total exports in 2014, up from 35.2 per cent in 2000. Mongolia has opportunities to diversify the economy by utilizing its comparative advantages. For instance, there are opportunities for the export of high-quality organic food and developing the tourism sector by protecting precious untouched nature. There are also opportunities for energy export to Asian markets

by constructing solar and wind power stations. Asia's renaissance, including the further integration of neighbouring economies and infrastructure development, are creating favourable external conditions for further economic development in Mongolia.

81. The next economic challenge is to implement an industrialization policy as stipulated in the 2012-2016 Government Action Plan. A draft State policy on industrialization has been developed for consideration by the State Great Khural at its 2015 spring session. Within the industrialization policy, major reconstruction works such as the construction of the Sainshand industrial park, the development of a metallurgy plant and other projects have been planned. For the past few years initial steps towards industrialization have been taken. For instance, cement plants with a total capacity of 2 million tons of cement have been constructed in two regions. The Darkhan metallurgy plant was expanded and an iron ore processing plant was built in 2014. A heavy industry development policy, including the expansion of power and heating plants, is being pursued. Construction of Power Station 5 in Ulaanbaatar has been launched. Bidding for power station projects in Baganuur and Tavantolgoi has been organized and concession agreements have been signed.

## Conclusion

82. Mongolia has achieved some of the Millennium Development Goals and is likely to reach some of the remaining Millennium Development Goals targets by the end of 2015. Although various factors may be attributed to that success, effective policy and programme interventions, including the Goals-based Comprehensive National Development Strategy and the Health Care Strategies, have been central to those accomplishments. As the target date to achieve the Millennium Development Goals for 2015 approaches, Mongolia is determined to realize its remaining goals even as it looks ahead to continued involvement in forming the post-2015 development agenda.

83. Development cooperation will play a significant and unique role in supporting the implementation of the post-2015 development agenda. Mongolia supports a renewed global partnership and looks to the future of development cooperation. Areas for international support will be directed to accelerate capacity-building for greater policy integration and coherence for sustainable policy paths, and to effectively address highly complex trade-offs between the three dimensions of sustainable development. Systems for monitoring and evaluation need to be further strengthened to measure the performances of Government policies, programmes and projects in pursuit of sustainable development goals that will potentially contribute to results-based sound governance.